

**BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF HAWAII**

In the Matter of the Application of )  
 )  
MAUI ELECTRIC COMPANY, LIMITED )  
 )  
For Approval of Rate Increases and )  
Revised Rate Schedule and Rules )  
 )  
\_\_\_\_\_ )

**Docket No. 2006-0387**

**MECO  
2007 TEST YEAR**

**DIRECT TESTIMONIES  
AND EXHIBITS**

**Book 1 of 5**

**February 23, 2007**

PUBLIC UTILITIES  
COMMISSION

2007 FEB 23 A 11:55

FILED

Maui Electric Company, Limited

Docket No. 2006-0387  
Application for Approval of Rate Increases and  
Revised Rate Schedules and Rules

DIRECT TESTIMONIES AND EXHIBIT SPONSORSHIP LIST

MECO T-1                      E. Reinhardt

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MECO T-17 T. Sekimura

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MECO T-18      P. Young (continued)

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                            Schedule P, Bill Comparisons Under Present Rates & Proposed Rates -  
                                    Lanai Division  
                            Schedule F, Bill Comparisons Under Present Rates & Proposed Rates -  
                                    Lanai Division

MECO T-18

P. Young (continued)

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MECO-1821      Schedule R, Single-Phase Service, Bill Comparisons Under Present Rates  
                            & Proposed Rates - Molokai Division  
                            Schedule R, Three-Phase Service, Bill Comparisons Under Present Rates  
                            & Proposed Rates - Molokai Division  
                            Schedule G, Single-Phase Service, Bill Comparisons Under Present Rates  
                            & Proposed Rates - Molokai Division  
                            Schedule G, Three-Phase Service, Bill Comparisons Under Present Rates  
                            & Proposed Rates - Molokai Division  
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                            & Proposed Rates - Molokai Division  
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                            & Proposed Rates - Molokai Division  
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                            Schedule P, Bill Comparisons Under Present Rates & Proposed Rates -  
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                            Molokai Division  
                            Schedule F, Bill Comparisons Under Present Rates & Proposed Rates -  
                            Molokai Division

MECO T-19      A. Hee

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TESTIMONY	Energy Cost Adjustment Clause, Energy Policy Act of 2005
MECO-1900	Educational Background and Experience
MECO-1901	2007 Test Year Energy Cost Adjustment Factors
MECO-1902	Base Fuel Energy Charge and Fixed Efficiency Factor (or Sales Heat Rate)
MECO-1903	Energy Cost Adjustment Revenue, 1984-2006
MECO-1904	Energy Cost Adjustment Filing, Present Rates - Maui Division
MECO-1905	Comparison of Composite Costs of Central Station Generation at Present and Proposed Rates - Maui Division
MECO-1906	Energy Cost Adjustment Filing, Proposed Rates - Maui Division
MECO-1907	Fixed and Weighted Efficiency Factors at Proposed Rates - Maui Division
MECO-1908	Illustration of the Proposed Weighted Composite Generation Cost in the ECAC Calculations Mechanism - Maui Division
	Illustration of a Month with the Proposed Weighted Generation Efficiency Factor & DG Component - Maui Division
MECO-1909	Energy Cost Adjustment Filing, Present Rates - Lanai Division
MECO-1910	Proposed Weighted Generation Efficiency Factor & DG Component - Lanai Division
MECO-1911	Energy Cost Adjustment Filing, Present Rates - Molokai Division
MECO-1912	Proposed Weighted Generation Efficiency Factor & DG Component - Molokai Division

MECO T-20	E. Reinhardt
TESTIMONY	Results of Operations, including Revenue Requirements, Rate Increase Implementation
MECO-2000	Educational Background and Experience
MECO-2001	Proposed Rate Design-Base Case, Total Company Results of Operations, 2007

TESTIMONY OF  
EDWARD L. REINHARDT

PRESIDENT  
MAUI ELECTRIC COMPANY, LIMITED

Subject: Introductory Statement



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INTRODUCTION

- Q. Please state your name and business address.
- A. My name is Edward L. Reinhardt and my business address is 210 West Kamehameha Avenue, Kahului, Hawaii.
- Q. By whom are you employed and in what capacity?
- A. I am the President of Maui Electric Company, Limited ("MECO" or "Company"). MECO-100 provides my educational background and work experience.
- Q. What are your areas of responsibility in this testimony?
- A. In this testimony, I will:
- 1) describe MECO's request in its application in this docket,
  - 2) briefly summarize why there is a need for rate relief,
  - 3) discuss certain policy matters related to this case, and
  - 4) provide certain background information on the justification for the requested rate relief.

RATE RELIEF REQUESTED

- Q. Please describe the rate relief MECO is requesting.
- A. MECO is requesting a revenue increase of \$18,977,000 (based on September 1, 2006 fuel prices) or 5.31% over revenues at present rates for a normalized 2007 test year. MECO's present rates are those currently effective in its tariffs and are primarily the result of Amended Decision and Order No. 16922 issued April 6, 1999 in Docket No. 97-0346, which utilized a 1999 test year.
- Q. What would be a fair and reasonable rate of return on common equity to determine MECO's revenue requirements in this docket?
- A. Based on the comprehensive analysis and opinion of Dr. Roger Morin, Professor of Finance at the College of Business, Georgia State University, the expert witness

1 retained by MECO to advise it on this matter, a fair and reasonable return on  
2 common equity for MECO for the 2007 test year would be 11.25%.

3 Q. What would be a fair and reasonable return on rate base for MECO in the 2007  
4 test year?

5 A. A fair and reasonable return on rate base for MECO in the 2007 test year would be  
6 8.98% as proposed by Ms. Tayne Sekimura in MECO T-17. She has based this  
7 return on an 11.25% return on common equity and MECO's capital structure and  
8 cost of debt for the test year.

9 Q. Please explain any major exclusions from this rate case.

10 A. The revenue requirements in this rate case exclude incremental demand-side  
11 management ("DSM") costs that MECO currently recovers through the DSM  
12 component ("DSM surcharge") of the Integrated Resource Planning ("IRP") Cost  
13 Recovery Provision. MECO has excluded DSM surcharge revenues and the  
14 associated costs from the 2007 test year because at the time the Company ran its  
15 revenue requirements Docket No. 05-0069 (the Energy Efficiency proceeding)  
16 was in progress and addressing a number of policy issues with respect to DSM  
17 programs in the state, including Maui. The issues included what the cost  
18 recovery mechanism for DSM programs should be (e.g., whether the costs should  
19 be recovered through base rates or a separate surcharge). Because of this, MECO  
20 has excluded from its 2007 test year revenue requirements the incremental DSM  
21 costs currently recovered through the DSM surcharge. Because the DSM costs  
22 recovered through the surcharge were excluded, the DSM surcharge revenues  
23 were also removed from the case.

24 Q. Did the Commission issue a decision and order in the Energy Efficiency  
25 proceeding?

1       A.    Yes. On February 13, 2007, the Commission issued Decision and Order No.  
2            23258. Due to the proximity of the timing of the issuance of the decision and  
3            order and the preparation of the testimonies, exhibits and workpapers in this  
4            docket, MECO has not had an opportunity to fully evaluate Decision and Order  
5            No. 23258. Following completion of its review, MECO will determine if it should  
6            make any adjustments to its test year revenue requirement, and as appropriate will  
7            make any such adjustments at the next available opportunity.

8       Q.    How is MECO requesting that the increase be granted?

9       A.    MECO requests that the general increase and revisions to its rate schedules and  
10            rules be granted in two steps:

11           1) An Interim Rate Increase equal to an increase in rates to which the  
12            Commission determines MECO is "probably entitled" based on the  
13            evidentiary record before it, in accordance with Hawaii Revised Statutes  
14            ("H.R.S.") Section 269-16(d). MECO will determine the amount that it is  
15            requesting as an interim increase, based on the evidence before the  
16            Commission.

17           2) A Final Increase when the Commission issues its final decision and order to  
18            provide for the amount of the total requested revenue increase not included in  
19            the Interim Rate Increase.

20           MECO requests that the rate design changes requested in the Application and  
21            described in MECO T-18 be implemented when the Final Increase is  
22            implemented.

23       Q.    What is MECO's requested timing for the granting of an Interim Rate Increase in  
24            this proceeding?

25       A.    Based on the processing of prior rate cases, MECO is targeting completion of the

1 evidentiary hearing in the fourth quarter of 2007 or early 2008. MECO requests  
2 an Interim Rate Increase as soon as practicable after the evidentiary hearing is  
3 held in this proceeding.

4 Q. If the Commission were to hold evidentiary hearings in the fourth quarter of 2007,  
5 will MECO be in a position to earn the return found to be reasonable by the  
6 Commission?

7 A. Because of the timing of the filing of this rate case, MECO will not have an  
8 opportunity in 2007 to earn the return found to be reasonable by the Commission.  
9 Under the test year concept, the amount of the rate increase approved by the  
10 Commission in a general rate case, which uses an average rate base, generally is  
11 the increase in revenues necessary at the beginning of the test year. Unless a rate  
12 increase is effective at the beginning of a test year, the utility will not have an  
13 opportunity to earn the fair rate of return on rate base determined to be fair and  
14 reasonable by the Commission, based on the estimated results of operations for  
15 the normalized test year. If the rate increase is received later in the test year, the  
16 amount of the rate relief actually received in the test year will be proportionately  
17 lower than that determined to be necessary.

18 In order for MECO to achieve a return on rate base in 2008 close to that  
19 approved by the Commission, it must receive its requested rate relief no later than  
20 in early 2008.

21 Q. What does Section 269-16(d) provide with respect to the timing of an interim  
22 increase?

23 A. Section 269-16(d) contemplates that the Commission "shall make every effort to  
24 complete its deliberations and issue its decision as expeditiously as possible and  
25 before nine months from the date the public utility filed its completed application

1 ...” If the Commission has not issued a final decision on a public utility’s rate  
2 application within the nine-month period, the Commission “shall render an interim  
3 decision” within one month after the expiration of the nine-month period. The  
4 Commission may postpone its interim rate decision 30 days if the Commission  
5 considers the evidentiary hearing incomplete. Thus, Section 269-16(d)  
6 contemplates that:

- 7 1) the normal time to complete the evidentiary hearing and to issue a final  
8 decision in a rate case will be nine months or less,
- 9 2) an interim decision normally must be issued within ten months if a final  
10 decision is not issued within nine months, and
- 11 3) an interim decision must be issued within 11 months even if the evidentiary  
12 hearing takes more than 10 months to complete.

13 Q. Can the Commission render an interim decision and grant an interim rate increase  
14 prior to expiration of the nine-month period?

15 A. Yes. The Commission issued Interim Decision and Order No. 13431 (“Interim  
16 D&O 13431”) on August 8, 1994 in Docket No. 7764, Hawaii Electric Light  
17 Company, Inc.’s (“HELCO”) 1994 test year rate case, just over eight months after  
18 the filing of HELCO’s completed application on November 30, 1993. In Interim  
19 D&O 13431, the Commission found that:

20  
21 “HELCO filed its application in this docket on November 30,  
22 1993. Thus, the nine-month period in this proceeding will expire on  
23 August 31, 1994. Although this period has not yet expired, the  
24 commission will now issue an interim decision, since the parties  
25 agree that, based on the record adduced at the evidentiary hearing  
26 held on July 26 and 29, 1994, it is probable that HELCO is entitled  
27 to some rate relief and it is unlikely that the commission will be able  
28 to complete its deliberations or issue a final decision and order in  
29 this proceeding by August 31, 1994. Further, the test year in this  
30 rate proceeding is calendar year 1994. Seven months of the test year

1 have already expired. Unless interim rate relief is granted now,  
2 HELCO will not secure the degree of benefit that it would otherwise  
3 derive from any rate relief the commission may ultimately grant.  
4

5 The commission does not read HRS §269-16(d) as  
6 prohibiting the issuance of interim relief prior to the expiration of the  
7 nine-month period. The statute simply requires that an interim  
8 decision be issued, if commission deliberations are not concluded  
9 within the nine-month period."

10 Q. What will MECO's return on rate base be in 2007 without rate relief?

11 A. Without rate relief, MECO's return on rate base is expected to be 6.24% for the  
12 normalized test year, as compared to the 8.83% authorized by the Commission in  
13 MECO's last rate case (Docket No. 97-0346), the 9.13% authorized by the  
14 Commission in Docket No. 96-0040 for test year 1997, and the 8.98% justified in  
15 this docket.

16 Implementation of Rate Increase

17 Q. How does MECO propose to implement the proposed rate increase?

18 A. MECO is proposing that only the Final Increase in this proceeding involve base  
19 rate changes. The allocation to each rate schedule would be on an equal  
20 percentage increase. The allocation of the proposed increase over present rates to  
21 each rate schedule is shown on MECO-113. The Interim Rate Increase  
22 implemented prior to the final step would be structured as a surcharge to the  
23 various classes based on a percentage of the customer's bill (exclusive of Energy  
24 Cost Adjustment Charges and other surcharges).

25 Q. Is this proposed implementation of the Interim Rate Increase consistent with past  
26 practice before the Commission?

27 A. Yes. This implementation method was used for recent interim increases for  
28 Hawaiian Electric Company, Inc. ("HECO") in Docket No. 04-0113, HELCO in

1 Docket Nos. 99-0207 and 94-0140 and for MECO in Docket Nos. 94-0345 and  
2 97-0346.

3 NEED FOR RATE RELIEF

4 Q. What are the principal factors driving the need for MECO to increase its rates?

5 A. The rate case is primarily driven by the following:

- 6 1) Installation of the M18 and M19 generating units that MECO has added to  
7 its generation system since its last rate case  
8 2) Maintain service quality and fulfill infrastructure needs  
9 3) Maintain the Company's financial integrity

10 In addition, the Company last filed a rate case in 1998, and it has been almost eight  
11 years since it received its last general rate increase.

12 Installation of the New M18 and M19 Generating Units

13 Q. Please describe the generating units that have been added to MECO's generating  
14 system since MECO's last rate case.

15 A. MECO's last rate case was Docket No. 97-0346 which utilized a 1999 test period.  
16 Since then, MECO has completed the installation at the Maalaea Power Plant of  
17 Dual-Train Combined Cycle Unit Number Two ("DTCC #2") which includes the  
18 M17, M18 and M19 generating units. M17, a 20 megawatt ("MW") simple cycle  
19 combustion turbine, the first phase of a three phase project, went into commercial  
20 operation in December 1998 and was approved into rate base in the Docket No.  
21 97-0346. M19, the second 20 MW simple cycle combustion turbine (phase two)  
22 went into commercial operation in September 2000. M18 (phase three),  
23 consisting of two heat recovery steam generators and one 18 MW steam turbine  
24 went into commercial operation in October 2006.

25 Q. What is the primary benefit of DTCC #2?

1       A.    In addition to providing additional capacity to MECO's generating system, M18  
2            produces power from the heat generated by the exhaust gases from M17 and M19  
3            and burns no additional fuel. Operating M17 and M19 in combined cycle with  
4            M18 significantly improves the efficiency of these units compared to operating in  
5            simple cycle without M18. As a result, MECO now operates these units as base  
6            loaded units rather than in peaking or cycling mode as they were operated before  
7            the completion of DTCC #2. Mr. Michael Ribao discusses M17, M18 and M19 in  
8            greater detail in MECO T-5.

9       Q.    How much has MECO invested in the M18 and M19 generating units?

10      A.    The current estimated project cost for M18 is approximately \$65 million. (As  
11            explained by Ms. Annabel Arase in MECO T-14, at the time the Company ran its  
12            revenue requirements, the estimated cost was \$62 million. The Company will  
13            update the estimated project cost in its test year revenue requirement at the first  
14            available opportunity.) The project cost for M19 was almost \$25 million.

15      Maintain Service Quality and Fulfill Infrastructure Needs

16      Q.    In the preceding section you discussed the addition of M18 and M19 to MECO's  
17            generation system. What else is MECO doing in the 2007 test year to maintain  
18            service quality of its electrical service to its customers?

19      A.    First, the Company is continuing to invest in the electrical infrastructure on the  
20            islands of Maui, Molokai and Lanai. As discussed by Ms. Annabel Arase in  
21            MECO T-14, MECO projects that in addition to the capital costs for M18, it  
22            invested/will invest another \$61 million in plant additions in 2006 and 2007.<sup>1</sup>

23      Q.    What projects are included in the plant additions for 2006 and 2007.

24      A.    As discussed by Ms. Arase in MECO T-14, there are more than 250 projects in the

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<sup>1</sup> In the years 2001 through 2005, MECO invested \$131 million in plant additions.



1           2006 and 2007 plant additions which impact all facets of the Company's  
2           operations. These include the following:

- 3           • Waiinu Sub 36 Unit Substation/69kV Breaker Addition: This project  
4           involves the replacement and upgrade of the transformer unit and the  
5           addition of three 69 kilovolt ("kV") breakers and related equipment. The  
6           transformer upgrade will improve system reliability in the area on the  
7           island of Maui.
- 8           • Substation 36 Unit 3 Transformer Addition: This project involves the  
9           installation of a new distribution unit transformer, switchgear, and related  
10          equipment, and construction of an overhead distribution line to  
11          interconnect to the existing distribution system to accommodate the  
12          current and continuing growth in the Wailuku area on the island of Maui.
- 13          • Kihei Sub 35 – Transformer/Switchgear #4 Addition: This project  
14          involves the installation of a new transformer, switchgear, and associated  
15          electrical equipment at the existing Kihei Substation 35 in order to  
16          accommodate the current and continuing development in the Kihei area  
17          on the island of Maui.

18       Q.   What other items are included in the 2006 and 2007 plant additions?

19       A.   The 2006 and 2007 plant additions also include investments to replace overhead  
20       and underground transmission and distribution cables, transformers, utility poles,  
21       meter equipment, service connections and other facilities. These investments are  
22       necessary to maintain reliable service to existing customers and fulfill new  
23       customer installations.

24       Q.   Does the 2007 test year include other programs and activities that will support  
25       quality electrical service to customers?

1       A.   Yes. As Mr. Ribao explains in MECO T-5, MECO will incur significant expenses  
2       to operate and maintain its generating units. The Company will devote a large  
3       portion of these expenses to generating unit overhauls to ensure that these units  
4       continue to operate properly. The Company's 2007 operating budget includes  
5       almost \$8 million for overhauls. However, because overhauls for any particular  
6       generating unit do not occur every year, the Company has normalized these  
7       overhaul expenses such that only \$4.5 million will be included in rates.

8               For MECO's transmission and distribution systems, Mr. Andrew Herrera  
9       describes the following in MECO T-6:

- 10           • Vegetation Management – The Company will be increasing its efforts to  
11           keep corridors clear of vegetation that could come into contact with the  
12           Company's transmission and distribution lines and cause service outages.
- 13           • Steel Pole Maintenance and Repairs - Over the last decade MECO began  
14           using steel poles for new transmission line additions as a more durable  
15           alternative to wood poles. These first generation poles have reached the  
16           age where they will require more O&M inspection and maintenance  
17           expense to monitor and extend their service life.
- 18           • Inspections – MECO will be expanding its system inspection program for  
19           both overhead and underground infrastructure. With over 26,000 aging  
20           poles requiring yearly inspections, and hundreds of miles of aging  
21           underground infrastructure, inspections are increasingly critical to  
22           maintain system reliability. The inspection program is aimed at  
23           improving reliability, managing the replacement and maintenance of  
24           aging equipment, and identifying and remedying equipment that raises  
25           environmental concerns, such as oil leaking equipment.

- 1                   • Improved Systems – MECO is adding new industry proven technology to  
2                   keep MECO and its systems effective, current, efficient and reliable.  
3                   MECO is focusing on the benefits of the Supervisory Control and Data  
4                   Acquisition (“SCADA”) system through programs that will expand  
5                   SCADA use throughout its system to improve MECO’s response to  
6                   system conditions and to improve reliability. MECO’s SCADA system  
7                   will be a critical component to support all other system refinements.  
8                   Through these systems, MECO will achieve greater efficiency and faster  
9                   response to system interruptions.

10           Maintain Financial Integrity

11           Q.   What is meant by maintaining financial integrity?

12           A.   As explained by Ms. Tayne Sekimura in MECO T-17, financial integrity refers to  
13           the financial health of the Company – having sufficient funds to fulfill the  
14           electrical needs of its customers and prudently plan for future needs, while at the  
15           same time providing a reasonable rate of return for its shareholder and ability to  
16           attract new capital on reasonable terms. As long as there is inflation and new  
17           plant must be added at today’s prices to replace older plant and to serve new  
18           loads, electric rates will have to increase from time to time. In timing its  
19           applications for rate increases, MECO has tried to strike a reasonable balance  
20           between maintaining its financial integrity and the impact of a rate increase on its  
21           customers.

22           Q.   Are MECO’s present rates sufficient for the Company to maintain its financial  
23           integrity?

24           A.   No, they are not. As shown on MECO-2001, MECO’s present rates would result  
25           in a rate of return on average rate base of 6.24% in the normalized test year. As I

1 mentioned earlier, a fair and reasonable rate of return on average rate base for  
2 MECO in the 2007 test year would be 8.98%. This return is based on a return on  
3 common equity of 11.25%. Thus, a 6.24% return on average rate base would  
4 result in a return on common equity well below the return required by the  
5 financial markets for companies with a level of risk similar to that of MECO.

6 Q. Why is it important for MECO to maintain its financial integrity?

7 A. As Ms. Sekimura states in MECO T-17, if MECO does not maintain its financial  
8 integrity, investors will invest their money elsewhere which will have negative  
9 implications for MECO's customers because it will reduce the demand for the  
10 Company's securities and increase the Company's cost of capital. In adverse  
11 market conditions, it may be difficult to attract capital.

12 In other words, if MECO is unable to provide acceptable returns, MECO  
13 will be viewed as a riskier investment in the eyes of investors. This could result in  
14 credit rating downgrades which would increase the cost for the Company to  
15 acquire debt financing. It would also increase the return on common equity  
16 required by investors and create downward pressure on the value of the  
17 Company's equity. This increase in the cost of capital would eventually have to  
18 be reflected in the rates the Company charges to its customers. Thus, it is  
19 imperative from a customer standpoint for MECO to maintain its financial  
20 integrity.

21 BACKGROUND

22 Q. When did MECO file its Notice of Intent?

23 A. MECO filed its Notice of Intent on September 22, 2006 and the Commission  
24 assigned Docket No. 2006-0387 to this proceeding.

25 Q. How was the test period established for this proceeding?

1       A.   On December 19, 2006, MECO filed a Motion for Approval of Test Period Waiver  
2       to allow it to use a calendar year 2007 test period for a general rate increase  
3       application to be filed on or after January 1, 2007 but before June 30, 2007. On  
4       January 11, 2007, the Commission issued Order No. 23188 approving MECO's  
5       motion.

6       Q.   When did MECO file its completed application and direct testimonies, exhibits,  
7       and workpapers?

8       A.   MECO filed the completed application, and MECO's direct testimonies, exhibits,  
9       and workpapers on February 23, 2007. In accordance with the Commission's  
10      Rules of Practice and Procedure, Title 6, Chapter 61, of the Hawaii Administrative  
11      Rules, the Company served copies on the Consumer Advocate and the Mayor of  
12      the County of Maui. The application, together with the written testimonies,  
13      exhibits, and workpapers, satisfy the completed application requirements of the  
14      Commission's Rules of Practice and Procedure.

15      Q.   Please briefly identify the exhibits attached to the application.

16      A.   The application itself is marked as MECO-101.

17               MECO-102 is an unaudited balance sheet as of September 30, 2006, and an  
18      unaudited income statement and statement of retained earnings for the nine months  
19      ending September 30, 2006.

20               MECO-103 describes the details of MECO's outstanding issues of  
21      cumulative preferred stock, hybrid securities, and long-term debt.

22               MECO-104 is a copy of HEI's latest proxy statement dated April 6, 2006,  
23      which was sent to stockholders.

24               MECO-105 provides the present rate schedules of MECO's Maui Division.

1                   MECO-106 provides the present rate schedules of MECO's Lanai  
2                   Division.

3                   MECO-107 provides the present rate schedules of MECO's Molokai  
4                   Division.

5                   MECO-108 provides the proposed rate schedules of MECO's Maui  
6                   Division.

7                   MECO-109 provides the proposed rate schedules of MECO's Lanai  
8                   Division.

9                   MECO-110 provides the proposed rate schedules of MECO's Molokai  
10                  Division.

11                  MECO-111 provides MECO's present Table of Contents, Rule 7 and  
12                  Rule 8.

13                  MECO-112 provides MECO's proposed Table of Contents, Rule 7 and  
14                  Rule 8.

15                  MECO-113 shows MECO's proposed rate increase over present rates in  
16                  total and by rate classes, in terms of dollars and by percentage for test year 2007.

17                  MECO-114 is a summary of MECO's estimated earnings on its average  
18                  rate base at present rates for the normalized 2007 test year.

19           Q.    What justification has MECO submitted to support this request for rate relief?

20           A.    In addition to the application, a total of 16 witnesses, including myself, have  
21                  submitted 20 written testimonies with supporting exhibits and workpapers, which  
22                  detail and support the reasons and need for rate relief. The witnesses, including  
23                  myself, and the subject matters of their testimonies are as follows:  
24

	<u>Witness</u>	<u>Witness</u>	<u>Subject</u>
	<u>Number</u>		
1			
2			
3			
4	T-1	Edward L. Reinhardt	Introductory Statement
5			
6	T-2	Joanne A. Ide	Electricity Sales and Average
7			Number of Customers
8			
9	T-3	Peter C. Young	Electric Sales Revenues at Present
10			Rates and at Proposed Rates Other
11			Operating Revenues
12			
13	T-4	Ross H. Sakuda	Generating System, Fuel Expense,
14			Fuel-Related Expense, Purchased
15			Energy, Generation Efficiency
16			Factor (Heat Rate), and Fuel
17			Inventory
18			
19	T-5	Michael P. Ribao	Generation System, Production
20			Operation & Maintenance Expense,
21			Purchased Power Expense,
22			Production Materials Inventory, and
23			Power Supply Department Staffing
24			
25	T-6	Andrew C. Herrera	Transmission and Distribution
26			System, T&D Operation and
27			Maintenance Expenses, T&D and
28			Engineering Department Staffing,
29			T&D Materials Inventory
30			
31	T-7	Sharon M. Suzuki	Customer Accounts Expense, Other
32			Operating Revenues, Customer
33			Deposits, Interest on Customer
34			Deposits, Revenue Collection Lag
35			Days, Customer Service
36			Department Workforce
37			
38	T-8	Sharon M. Suzuki	Customer Service Expense,
39			Integrated Resource Planning
40			Expense, Demand-Side
41			Management Program Expense
42			
43	T-9	Lyle J. Matsunaga	A&G Operations & Maintenance
44			Expense and Certain Accounting
45			Matters
46	T-10	Julie K. Price	A&G Expense-Employee Benefits
47			
48	T-11	Eileen Wachi	Employee Count
49			

1	T-12	Lyle J. Matsunaga	Depreciation Expense and
2			Accumulated Depreciation
3			
4	T-13	Lon Okada	Taxes Other Than Income Taxes,
5			Income Tax Expense, Unamortized
6			Net SFAS 109 Regulatory Asset,
7			Unamortized Investment Tax
8			Credits, Accumulated Deferred
9			Income Taxes, Recent Tax
10			Developments
11			
12	T-14	Annabel Arase	Plant Additions, Plant Retirements,
13			Property Held for Future Use,
14			Contributions in Aid of
15			Construction, Customer Advances
16			
17	T-15	Gayle T. Ohashi	Rate Base
18			
19	T-16	Roger A. Morin, Ph.D	Rate of Return on Common Equity
20			
21	T-17	Tayne S. Y. Sekimura	Rate of Return on Rate Base
22			
23			
24	T-18	Peter C. Young	Cost of Service and Rate Design
25			
26	T-19	Alan K. C. Hee	Energy Cost Adjustment Clause
27			Energy Policy Act of 2005
28			
29	T-20	Edward L. Reinhardt	Results of Operations, including
30			Revenue Requirements, Rate
31			Increase Implementation

32 Mr. Lon Okada is an employee of Hawaiian Electric Industries, Inc.  
33 ("HEI"). Dr. Roger Morin is a Professor of Finance at the College of Business,  
34 Georgia State University. Ms. Tayne S. Y. Sekimura is the Financial Vice  
35 President for HECO, HELCO and MECO. Messrs. Peter C. Young, Ross H.  
36 Sakuda and Alan K. C. Hee, and Ms. Julie K. Price and Ms. Gayle T. Ohashi are  
37 HECO employees. All other witnesses are MECO employees.

38 POLICY MATTERS

39 Q. What are some of the policy matters the Commission should consider in  
40 determining the reasonableness of MECO's requests in this proceeding?



1 A. There are five policy areas that I will discuss in this section:

2 1) MECO's approach for the preparation of testimony

3 2) The revenue increase allocation

4 3) The need for an Energy Cost Adjustment Clause

5 4) Pension/OPEB accounting

6 5) Amortization periods between rate cases

7 Approach for Preparing Testimony

8 Q. How were the rate case estimates prepared?

9 A. The witnesses who are testifying on O&M expenses were asked to:

10 1) begin with MECO's 2007 O&M Expense Budget, as revised to update

11 numbers and correct errors, where appropriate,

12 2) accept certain common assumptions reflected in the budget system,

13 3) simplify and reduce the number of issues by eliminating items that were

14 litigated and not included in prior HELCO, HECO, and MECO ratemaking

15 proceedings, to the extent practicable, and

16 4) also where appropriate, normalize the adjusted O&M Expense Budget

17 amounts for ratemaking purposes; i.e., make adjustments to the adjusted O&M

18 Expense Budget amounts to better represent "normal", ongoing Company

19 operations for the period during which the proposed rates will be in effect.

20 The non-O&M witnesses were also requested to simplify and reduce the number

21 of issues, to adjust their 2007 estimates, and to normalize their test year 2007

22 estimates, where appropriate.

23 Q. How did MECO estimate its revenue requirements for the 2007 test year?

24 A. Generally, the revenue requirements are based on MECO's July 2006 Sales

25 Forecast, its 2007 O&M Expense Budget, estimated increases in rate base based

1 on the expected completion dates for capital projects, a rate of return on rate base  
2 of 8.98%, and normalization adjustments necessary to better reflect operating  
3 conditions during the period when the rates as a result of this case will be in effect.  
4 Normalized test year revenues, expenses, rate base, rate of return, and results of  
5 operations are addressed in the testimonies and exhibits that follow.

6 Q. When were the revenue requirement inputs established?

7 A. The Company completed its inputs to its revenue requirements calculation in  
8 January 2007.

9 Q. What are the common assumptions reflected in the budget system?

10 A. The common assumptions are as follows.

11 1) In accordance with the Company's existing negotiated labor agreement with  
12 the International Brotherhood of Electrical Workers, Local 1260, the 2007 test  
13 year estimate for the labor cost for bargaining unit positions assumed wage  
14 increases of 1.5% on May 1, 2006 and 3.0% on November 1, 2006, with both  
15 increases calculated over October 31, 2002 wage rates. In addition, an  
16 increase of 3.5% on November 1, 2007 over October 31, 2007 wage rates was  
17 assumed for the period after the existing labor agreement expires on October  
18 31, 2007, i.e. for the period November 1 through December 31, 2007.

19 2) The 2007 test year estimates include assumed salary increases of 3.5% and  
20 0.25% on May 1, 2006 and September 1, 2006, respectively, over April 30,  
21 2006 salary levels, and increases of 3.5% and 0.25% on May 1, 2007 and  
22 September 1, 2007, respectively, over April 30, 2007 salary levels for merit  
23 employees.

24 3) Base nonlabor price increase estimates on information available for the  
25 specific item. Where none is available, assume a 2.5% general inflation factor

1           for 2007. A listing of O&M expenses derived with the use of a general  
2           inflation factor is presented in MECO T-9. Mr. Lyle Matsunaga discusses the  
3           assumptions in detail in MECO T-9.

4       Q.   With respect to items that were eliminated from the test year in order to simplify  
5           and reduce the number of issues, does MECO intend to forgo recovery of the costs  
6           of these items in future rate cases?

7       A.   No. MECO's position continues to be that these are appropriate costs of doing  
8           business as a regulated utility, and must be recovered through rates if MECO is to  
9           be afforded the full opportunity to earn a fair return. Therefore, MECO does not  
10          waive its right to seek recovery of these costs in future rate cases.

11      Q.   What is an example of costs that were eliminated from the test year in order to  
12          simplify and reduce the number of issues?

13      A.   Examples of items for which MECO is not seeking cost recovery in this  
14          proceeding are non-qualified pension expenses, performance incentive  
15          compensation for employees and executives, Hawaiian Electric Industries  
16          Retirement System's ("HEIRS") 401(k) administration expense, and the expenses  
17          related to the annual service awards and Executive Life Insurance.

18      Q.   What else has MECO done to simplify its presentation?

19      A.   MECO has provided all of its Rate Case Reports for O&M expenses in one place  
20          (rather than in separate parts divided among each witness' exhibits and  
21          workpapers), as MECO-WP-101. This provides the entire "picture" of MECO's  
22          2007 O&M expense budget. In addition, the Rate Case Reports are presented in  
23          nine different formats to provide additional detail with which to evaluate the  
24          reasonableness of MECO's O&M expenses. Included with the reports are detailed  
25          listings of the various codes used in the Rate Case Reports.

1                   MECO also has made a concerted effort to inform the Commission and the  
2                   Consumer Advocate of adjustments that should be made for errors that MECO has  
3                   discovered in the course of finalizing its Application or for later information that  
4                   arose since the finalization of the revenue requirements. These adjustments are  
5                   identified in the testimonies, and will be made at the next available opportunity.

6           Q.   In this proceeding, has MECO incorporated commitments it has made to the  
7                   Consumer Advocate in past rate cases?

8           A.   Yes. In past proceedings, MECO (HECO and HELCO) have made several  
9                   commitments to the Consumer Advocate in order to facilitate future ratemaking  
10                  proceedings. The significant ones are to provide in future rate case direct  
11                  testimonies:

- 12                  1) a variance analysis on O&M differences by activity from prior period for  
13                     amounts greater than +/- 10% and \$45,000, and  
14                  2) a listing of O&M expenses that were prepared using a general inflation factor.

15          Q.   Has MECO provided these items in this proceeding?

16          A.   Yes. Each O&M witness provides a variance analysis of the difference between  
17                  actual 2005 and budget 2007 expenses by activity and code block.

18          Q.   You earlier stated that MECO applied for and received Commission approval to  
19                  use a calendar year 2007 test period for a general rate increase application it would  
20                  file on or after January 1, 2007 but before June 30, 2007. What were the  
21                  consequences of this arrangement?

22          A.   As stated in the Company's Motion for Approval of Test Period Waiver, filed on  
23                  December 19, 2006, MECO proposed and received agreement from the Consumer  
24                  Advocate on the following:

- 1           • Since there would not be adequate time to “fold in” 2006 recorded results into  
2           its direct testimonies, exhibits and workpapers in time for a February 2007  
3           filing, the Company would reflect 2006 estimates in its rate case filing, as it  
4           would have had it filed its application in December 2006.
- 5           • The beginning of test year plant balance used to calculate MECO’s test year  
6           average rate base will be based on 2006 end of year estimates.
- 7           • MECO’s rate case reports filed as MECO-WP-101 will reflect 2006 budget  
8           numbers.
- 9           • The variance analyses to be submitted by MECO’s witnesses will be based on  
10          a comparison of 2005 actuals and 2007 budget for operations and maintenance  
11          expenses with differences greater than or equal to \$45,000 and 10%.
- 12          • In the April 2007 time frame, MECO will update MECO-WP-101 to reflect  
13          2006 recorded results and update its variance analyses to compare 2006 actuals  
14          and 2007 test year budget operations and maintenance expenses with  
15          differences greater than or equal to \$45,000 and 10%.

16          Revenue Increase Allocation

17          Q.   How is the requested revenue increase being allocated to the various rate  
18          schedules?

19          A.   The Company is allocating the requested revenue increase as an equal percentage  
20          increase to each rate schedule to share the burden among all ratepayers.

21          Q.   How does MECO propose to allocate the requested revenue increase among its  
22          divisions?

23          A.   MECO proposes to allocate the requested revenue increase as an equal percentage  
24          increase to each of its divisions. Allocation of the revenue increase according to  
25          cost of service would have resulted in large increases for customers on Lanai and

1 Molokai. To mitigate the hardship on these customers, the Company decided to  
2 propose an equal percentage increase for each division.

3 Q. Is MECO proposing any new rate designs or rate schedules in this proceeding?

4 A. Yes. The more significant proposals are listed below:

- 5 • Inclining Rate Block Structure for Residential Customers – This proposal  
6 applies to Schedule R and is similar to the structure HELCO proposed in  
7 its 2006 test year rate case (Docket No. 05-0315). It establishes three  
8 tiers. For Maui, the first tier would be for the first 350 kWh used in the  
9 billing period, the second for the next 850 kWh used in the billing period,  
10 or kWh usage between 350 kWh and 1,200 kWh, and a third tier for kWh  
11 usage above 1,200 kWh per billing period. For Lanai and Molokai, the  
12 first tier would be for the first 250 kWh used in the billing period, the  
13 second for the next 500 kWh used in the billing period, or kWh usage  
14 between 250 kWh and 750 kWh, and a third tier for kWh usage above 750  
15 kWh per billing period. The merits on an inclining block rate design  
16 include mitigation of rate impact on the smallest users of the system,  
17 pricing signals that encourage conservation, and assignment of a greater  
18 share of the cost increase to the larger users.
- 19 • Optional Time-of-Use (“TOU”) Rates – These optional residential and  
20 commercial offerings provide differential TOU rates for priority peak,  
21 mid-peak and off-peak periods to enable customers to manage their energy  
22 usage.

23 Energy Cost Adjustment Clause

24 Q. What is an energy cost adjustment clause or ECAC?

1       A.   As discussed by Mr. Alan Hee in MECO T-19, the ECAC is an automatic  
2       adjustment provision in the utility's rate schedules that allows the utility to  
3       automatically increase or decrease rates or charges to customers to reflect changes  
4       in the Company's energy costs of fuel and purchased energy above or below the  
5       levels included in the base charges, without a rate proceeding. The purpose of  
6       ECAC is (1) to address price changes in the Company's cost of fuel and purchased  
7       energy and (2) to accommodate changes to the generation, distributed generation  
8       ("DG") and purchased energy mix percentages, without the need for a rate case.

9       Q.   Why does the Company need an ECAC?

10      A.   The Company needs the ECAC because fuel costs are a large portion of its  
11      expenses and because fuel price levels are largely beyond the Company's control.  
12      In the test year, fuel and purchased energy expenses make up 82% of total O&M  
13      expenses. This makes the Company's financial condition susceptible to changes in  
14      fuel prices. The ECAC benefits the Company and its shareholders by (1) limiting  
15      the swings in cash flow and earnings, (2) reducing the cost of capital, (3)  
16      improving the Company's ability to earn a fair return on investor capital and (4)  
17      providing a more timely recovery of fuel and purchased energy costs.

18      Q.   How does the ECAC benefit customers?

19      A.   The ECAC benefits customers by (1) reducing the Company's financial risk and  
20      lowering the cost of capital, with the resulting savings being passed on to  
21      customers through lower base rates in rate proceedings, and (2) passing through to  
22      customers the savings incurred when fuel prices fall below the prices embedded in  
23      base rates (to the same extent that they incur additional costs when fuel prices are  
24      above the embedded fuel prices).

25      Q.   What is the efficiency factor in the ECAC?

1       A.   This efficiency factor is a measure of how efficiently MECO expects to convert  
2       the fuel burned in its generating units into a kWh of sales during the test year. It is  
3       expressed in million btus per kWh. If the Company converts fuel into kWh more  
4       efficiently than this factor, it will get to keep the savings. But if the Company  
5       converts fuel into kWh less efficiently than this factor it will not be able to recover  
6       the additional cost from customers. In effect, the efficiency factor acts as a  
7       standard which the Company must meet to avoid under-recovery of its fuel  
8       expense and provides an incentive for the Company to operate its units as  
9       efficiently as possible.

10      Q.   How do investors feel about the ECAC?

11      A.   The ECAC serves to reimburse MECO for prudently-incurred energy costs in a  
12      manner that minimizes the negative financial effects caused by regulatory lag. As  
13      Dr. Roger Morin, MECO's expert witness on the cost of common equity, explains  
14      in MECO T-16, "consideration of energy costs in a manner that lowers uncertainty  
15      and risk represents the mainstream position on this issue across the United States.  
16      Accordingly, the financial community relies on the presence of energy cost  
17      recovery mechanisms to protect investors from the variability of fuel and  
18      purchased power costs that can have a substantial impact on the credit profile of a  
19      utility, even when prudently managed."

20               As Dr. Morin also states, "it is my understanding that bond rating agencies  
21      would place considerably more weight on the Company's purchased power  
22      contracts as debt equivalents in the absence of ECAC, thus weakening the  
23      Company's financial integrity. The ECAC mitigates a portion of the risk and  
24      uncertainty related to the day-to-day management of a regulated utility's  
25      operations. Conversely, the absence of such protection would be factored into the



1 Company's credit profile as a negative element, which in turn would raise its cost  
2 of capital."

3 Dr. Morin adds that the "approval of energy cost recovery mechanisms by  
4 regulatory commissions is widespread in the utility business. Approval of fuel  
5 adjustment clauses, purchased water adjustment clauses, and purchased gas  
6 adjustment clauses has become widespread. All else remaining constant, such  
7 clauses reduce investment risk on an absolute basis and constitute sound  
8 regulatory policy."

9 Dr. Morin concludes that, in the absence of the Commission renewal of the  
10 ECAC requested by MECO in this proceeding, MECO's financial condition would  
11 deteriorate and its customers would be at risk of having to pay higher rates due to  
12 access to capital becoming more expensive for MECO. This situation would have  
13 a substantial effect on MECO and its customers because of the magnitude of the  
14 energy cost component in its cost of service.

15 Q. Does the ECAC discourage the use of renewable energy?

16 A. No. There is no indication that the ECAC discourages the use of renewable  
17 energy.

18 1. MECO, HECO and HELCO are already moving aggressively on renewable  
19 activities. MECO already has significant renewables on its system (i.e.,  
20 Hawaiian Commercial and Sugar Company's utilization of bagasse and  
21 hydropower, Kaheawa Wind Power's wind farm and the Makila Hydro  
22 electric plant) and the Company is considering the expanded use of biodiesel  
23 in its existing diesel generating units. As the Consumer Advocate indicated  
24 in its Statements of Position filed on November 8, 2004 in Docket Nos. 04-  
25 0128 and 04-0129, HECO's "use of the ECAC to address the changing price

1 of fuel does not appear to have diminished its effort in research and  
2 utilization of renewable energy.”

- 3 2. The current ECAC allows the Companies to bring on new as-available  
4 renewable purchase power agreements without rate proceedings, including  
5 those with prices that are de-linked from the price of oil. Thus, a major  
6 potential disincentive to the Companies has been removed, because they can  
7 immediately pass on the costs of renewable projects. Firm renewable  
8 projects can be added without a rate case due to the availability of the firm  
9 capacity surcharge for nonfossil fuel producers, plus the ECAC.
- 10 3. Instead of changing the ECAC to change how the Companies view oil, and  
11 to encourage them to seek more renewables, it makes sense to look at  
12 mechanisms that provide incentives for the Companies to engage in  
13 renewable activities, without causing major harm to the financial health of  
14 the Company. Docket No. 04-0113, Tr. (9/16/05) at 48.

15 Q. In HECO's 2005 test year rate case, what position did the other parties take on the  
16 ECAC?

17 A. In Docket No. 04-0113, the parties agreed that the ECAC should be continued.  
18 With respect to continuation of the ECAC, the Consumer Advocate stated that:  
19 “Fuel price volatility in international fuel markets and HECO's dependence upon  
20 such markets makes ECAC continuation important to the Company and its ability  
21 to timely recover fluctuating costs thereby minimizing earnings volatility and the  
22 risk of reduced access to capital markets on reasonable terms.” (See Docket No.  
23 04-0113, CA-T-1, page 35, CA-T-3, page 60, lines 4-8. The Department of  
24 Defense (“DOD”) did not explicitly state a position on the continuation of the

1 ECAC, but based its derivation of ECA Revenues on the Consumer Advocate's  
2 estimates, as shown in DOD-126.)

3 The Consumer Advocate also indicated in its Statements of Position filed  
4 on November 8, 2004 in Docket Nos. 04-0128 and 04-0129 that (1) the 10-year  
5 extension of the contracts is reasonable; (2) use of the ECAC to protect against  
6 significant changes in the prices of fuel benefits both the Company and its  
7 customers; and (3) HECO's "use of the ECAC to address the changing price of  
8 fuel does not appear to have diminished its effort in research and utilization of  
9 renewable energy." The Consumer Advocate concluded that continued use of the  
10 ECAC by the Company is reasonable at this time.

11 Continued use of an ECAC is the most reasonable means of fairly  
12 compensating MECO for its fuel and purchased energy expense without  
13 unreasonably penalizing MECO or its customers.

14 Act 162

15 Q. Please describe the recent state legislation that affects the ECAC.

16 A. On June 2, 2006, the Governor of Hawaii signed into law Act 162, Session Laws  
17 of Hawaii 2006, which states "any automatic fuel rate adjustment clause requested  
18 by a public utility in an application filed with the commission shall be designed,  
19 as determined in the commission's discretion, to:

- 20 (1) Fairly share the risk of fuel cost changes between the public utility and  
21 its customers;  
22 (2) Provide the public utility with sufficient incentive to reasonably manage  
23 or lower its fuel costs and encourage greater use of renewable energy;  
24 (3) Allow the public utility to mitigate the risk of sudden or frequent fuel  
25 cost changes that cannot otherwise reasonably be mitigated through other

- 1                   commercially available means, such as through fuel hedging contracts;  
2                   (4) Preserve, to the extent reasonably possible, the public utility's financial  
3                   integrity; and  
4                   (5) Minimize, to the extent reasonably possible, the public utility's need to  
5                   apply for frequent applications for general rate increases to account for  
6                   the changes to its fuel costs."

7       Q.   What is MECO's position on the appropriate level of fuel price risk sharing in the  
8           ECAC?

9       A.   It is MECO's position that the current level of ECAC fuel price risk sharing is  
10           appropriate, and that no change is necessary to the current ECAC risk sharing  
11           approach.

12           As explained by Mr. Alan Hee in MECO T-19, the ECAC does not  
13           necessarily pass 100% of any change in fuel expenses to ratepayers. MECO's  
14           ability to recover its fuel expenses is subject to an efficiency factor, which  
15           measures how efficiently MECO converts fuel energy into electrical energy. If  
16           MECO cannot meet the efficiency factor embedded in the ECAC, it recovers only  
17           a portion of its fuel expenses. Thus, MECO is already at risk for the non-recovery  
18           of some portion of fuel expense and this risk profile is inherent in the currently  
19           employed ECAC mechanism.

20           However, fuel prices are subject to market forces and geopolitical events  
21           that MECO cannot control. A risk sharing mechanism which penalizes the  
22           Company because prices increase above an expected base price, even one which  
23           provides a symmetric positive incentive when prices are below the base, holds the  
24           Company financially responsible for events beyond its control. Such a risk

1 sharing mechanism would place the Company in an untenable financial position,  
2 for which it is not compensated.

3 Pension/OPEB Accounting

4 Q. Please provide a high level overview of the accounting for pension and  
5 post-retirement benefits other than pensions ("OPEB").

6 A. Mr. Lyle Matsunaga in MECO T-9, Ms. Tayne Sekimura in MECO T-17 and Ms.  
7 Julie Price in MECO T-10 address the pension/OPEB accounting in detail. I will  
8 focus on one aspect in particular. The accounting for pensions and OPEBs is  
9 subject to the Statement of Financial Accounting Standards ("SFAS") No. 87 and  
10 No. 106, respectively. For pensions, a pension asset results when cumulative  
11 contributions to the pension fund exceed the cumulative pension expenses that the  
12 Company has incurred over time. In September 2006, the Financial Accounting  
13 Standards Board issued SFAS No. 158 which modified the accounting rules for  
14 pensions and OPEBs. In simple terms, if the fair value of the pension assets is  
15 less than the projected benefit obligation, the shortfall gets booked as a liability  
16 and the prepaid pension asset gets reversed out and these values less tax impacts  
17 get recorded as a charge against equity called accumulated other comprehensive  
18 income ("AOCI"). The impact of SFAS No. 158 on OPEBs is similar.

19 Q. Has the Company incurred any AOCI charges to equity?

20 A. Yes. For financial statement reporting purposes, the Company has incurred AOCI  
21 charges related to its pension and OPEB plans as of December 31, 2006.

22 Q. Please discuss the impact of the charge to AOCI on the Company's financial  
23 ratios and the credit rating agencies' evaluation of the Company.

24 A. As explained by Ms. Tayne Sekimura in MECO T-17, the recognition of a  
25 pension liability and charge to AOCI would result in an increase in liabilities and

1 decrease in equity. If the Company is not allowed a return on the pension asset in  
2 rate base or is not allowed to restore equity for the AOCI for ratemaking purposes,  
3 these changes would likely negatively impact the total debt/total capital and funds  
4 from operations interest coverage ratios and would result in lower operating  
5 income. The impact of this lack of regulatory support, if applied to MECO,  
6 HECO and HELCO, would result in credit quality degradation. Credit quality  
7 degradation would result in a relatively higher cost of debt.

8 Q. How does the Company propose to address this concern.

9 A. As explained by Mr. Lyle Matsunaga in MECO T-9, MECO proposes to include  
10 in rate base the cumulative pension contributions in excess of cumulative pension  
11 costs recognized (i.e., pension asset) and the cumulative OPEB contributions net  
12 of cumulative OPEB costs recognized (OPEB amount = zero).

13 As explained by Ms. Sekimura in MECO T-17, MECO also proposes to  
14 restore common equity for the AOCI charges for the purposes of calculating the  
15 cost of capital for ratemaking purposes.

16 Amortization Period – Period Between Rate Cases

17 Q. What is an amortization period?

18 A. An amortization period is the period over which deferred expenses are amortized.

19 Q. What is the basis for selecting the amortization period?

20 A. For some expenses it is based on the period during which the deferred expenses  
21 are expected to provide benefits. Other deferred expenses, such as regulatory  
22 commission (i.e., rate case) expenses are amortized over the estimated period  
23 between rate cases. The Company has estimated this period to be three years.

24 Q. What is the basis for the three years?

25 A. As explained by Mr. Matsunaga in MECO T-9, a three-year amortization period is

1 the expected time period that the rates in this case will be in effect. In addition, in  
2 Decision and Order No. 13429 (August 5, 1994), in Docket No. 7000, the  
3 Commission stated that, "in electric utility rate cases, we have assumed, based on  
4 the utilities' past experience, that there would be three-year intervals between rate  
5 cases. The period over which MECO was permitted to amortize its rate case  
6 expense in its last rate case was grounded on that assumption." Furthermore, the  
7 Commission allowed three-year amortization periods in several of the more recent  
8 MECO, HECO and HELCO rate cases, including Docket No. 97-0346, MECO's  
9 last rate case.

10 SUMMARY

11 Q. Please summarize your testimony.

12 A. MECO's total requested increase in revenues is \$18,977,000, or 5.3%, over  
13 revenues at present rates for the normalized 2007 test year (using September 1,  
14 2006 fuel prices).

15 The need for rate relief is supported by the testimonies and exhibits of 20  
16 witnesses who have submitted a total of 20 different written testimonies, with  
17 supporting exhibits and workpapers. To facilitate a timely decision in this rate  
18 case proceeding, MECO has limited the number of issues by using, in most  
19 instances, the methodologies adopted by the Commission in past ratemaking  
20 proceedings.

21 Q. Does this conclude your testimony?

22 A. Yes, it does.

MAUI ELECTRIC COMPANY, LIMITED

EDWARD L. REINHARDT

EDUCATIONAL BACKGROUND AND EXPERIENCE

Business Address: Maui Electric Company, Limited (MECO)  
210 Kamehameha Avenue, Kahului, HI 96732

Position: President  
Maui Electric Company, Limited  
(May 2001 to present)

Years of Service: 21 Years

Education: Bachelor of Science in Electronic Engineering  
Northrop University, 1976

Edison Electric Institute, 1993

Public Utilities Executives' Course, 1994

Previous Positions: Manager, Energy Delivery Department  
Maui Electric Company, Limited  
1999-2001

Manager, Engineering Department  
Maui Electric Company, Limited  
1990-1999

Senior Electrical Engineer  
Engineering Department  
Maui Electric Company, Limited  
1989-1990

Staff Engineer  
Engineering Department  
Maui Electric Company, Limited  
1988-1989

Electrical Designer  
Engineering Department  
Maui Electric Company, Limited  
1986-1988



Systems Engineer  
Kauai Electric Company  
1982-1986

Chief Engineer  
Molokai Electric Company  
1981-1982

Power Systems Engineer  
Amfac's Lihue Plantation  
1980-1981

Electrical Field Engineer  
General Electric Company  
1976-1980

Previous Testimony:

Docket No. 6571  
Waikapu Line Relocation

Docket No. 6797  
Special Purpose Revenue Bond

Docket No. 7000  
MECO Rate Increase

BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF HAWAII

In the Matter of the Application of )  
 )  
MAUI ELECTRIC COMPANY, LIMITED ) Docket No. 2006-0387  
 )  
For Approval of Rate Increases and )  
Revised Rate Schedules. )  
\_\_\_\_\_ )

APPLICATION

and

CERTIFICATE OF SERVICE

GOODSILL ANDERSON QUINN & STIFEL  
(Peter Y. Kikuta)  
1800 Alii Place  
1099 Alakea Street  
Honolulu, Hawaii 96813  
Telephone: (808) 547-5600

Attorney for  
Maui Electric Company, Limited

BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF HAWAII

In the Matter of the Application of )  
 )  
MAUI ELECTRIC COMPANY, LIMITED ) Docket No. 2006-0387  
 )  
For Approval of Rate Increases and )  
Revised Rate Schedules. )  
\_\_\_\_\_ )

APPLICATION

TO THE HONORABLE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF HAWAII:

I

This Application is filed by MAUI ELECTRIC COMPANY, LIMITED ("Applicant" or "MECO") for approval of a general rate increase and revised rate schedules and rules. The amount of the increase in revenues requested is \$18,977,000, or 5.3%, over revenues at present rates.

The requested increase is based on estimated total revenue requirements of \$376,285,000 for the normalized 2007 test year (based on September 1, 2006 fuel oil prices and an 8.98% rate of return on MECO's average rate base, including a return on common equity of 11.25%).

The revenue requirements exclude incremental demand-side management ("DSM") costs that MECO currently recovers through the DSM component ("DSM surcharge") of the Integrated Resource Planning ("IRP") Cost Recovery Provision. MECO has excluded

DSM surcharge revenues and the associated costs from the 2007 test year because at the time the Company was preparing its application, testimonies, exhibits and workpapers for this rate case, Docket No. 05-0069 (the Energy Efficiency proceeding) was in progress and was addressing a number of policy issues with respect to DSM programs in the state, including on Maui. The issues included what the cost recovery mechanism for DSM programs should be (e.g., whether the costs should be recovered through base rates or a separate surcharge). Because of this, MECO has excluded from its 2007 test year revenue requirements the incremental DSM costs currently recovered through the DSM surcharge. Because the DSM costs recovered through the surcharge are excluded, the DSM surcharge revenues are also removed from the case.

On February 13, 2007, the Commission issued Decision and Order No. 23258. Due to the proximity of the timing of the issuance of the decision and order and the preparation of the testimonies, exhibits and workpapers in this docket, MECO has not had an opportunity to fully evaluate Decision and Order No. 23258. Following completion of its review, MECO will determine if it should make any adjustments to its test year revenue requirement, and as appropriate will make any such adjustments at the next available opportunity.

Applicant requests that the general rate increase and the revisions to its rate schedules be granted in steps as follows:

1. Interim Step - an Interim Increase equal to increase in rates to which the Commission determines MECO is "probably entitled" based on the evidentiary record before it, in accordance with Section 269-16(d) of the Hawaii Revised Statutes ("H.R.S."). MECO will determine the amount that it is requesting in the Interim Increase at the close of the evidentiary hearing, based on the evidence before the Commission.

2. Final Increase – a General Rate Increase when the Commission issues its final decision and order to provide for the amount of the total requested revenue increase not included in the Interim Rate Increase.

Applicant requests that the rate design changes requested in this Application be implemented when the Final Increase is implemented. Applicant proposes to allocate the increase in revenues as an equal percentage increase to all rate schedules

Applicant further requests that the interim increase implemented prior to the final step be structured as surcharges for the various classes based on a percentage of the customer's base charges (i.e., exclusive of Energy Cost Adjustment charges and other surcharges).

For MECO's Maui Division, the amount of the requested increase is \$17,757,000, or 5.3%, over revenues at present rates for the normalized 2007 test year (based on September 1, 2006 fuel oil prices).

For MECO's Lanai Division, the amount of the requested increase is \$539,000, or 5.3%, over revenues at present rates for the normalized 2007 test year (based on September 1, 2006 fuel oil prices).

For MECO's Molokai Division, the amount of the requested increase is \$681,000, or 5.3%, over revenues at present rates for the normalized 2007 test year (based on September 1, 2006 fuel oil prices).

The total revenue increase requested by MECO of \$18,977,000 represents a 5.3% increase over revenues at MECO's present rates for the normalized 2007 test year (based on September 1, 2006 fuel oil prices).

II

MECO files this Application pursuant to the Rules of Practice and Procedure before the Public Utilities Commission, Title 6, Chapter 61, H.A.R. ("Rules of Practice and Procedure"). The Company seeks approval by the Commission of the proposed rate increase and revised rate schedules under the provisions of Section 269-16, H.R.S. Pursuant to Section 6-61-87(11) of the Rules of Practice and Procedure, MECO files and makes a part hereof written direct testimonies, exhibits and workpapers supporting this Application and showing justification for the requested increase.

III

MECO, whose executive office is located at 210 West Kamehameha Avenue, Kahului, Maui, Hawaii, is a corporation duly organized under laws of the Territory of Hawaii on or about April 28, 1921, and is now existing under and by virtue of the laws of the State of Hawaii.

MECO is an operating public utility engaged in the production, purchase, transmission, distribution, and sale of electricity on the island of Maui, the production, transmission, distribution, and sale of electricity on the island of Molokai, and the production, distribution, and sale of electricity on the Island of Lanai. A general description of MECO's property and equipment is contained in the written direct testimonies, exhibits and workpapers filed herewith and made a part hereof.

IV

Correspondence and communications in regard to this application should be addressed to:

Edward L. Reinhardt  
President  
Maui Electric Company, Limited  
P.O. Box 398  
Kahului, Maui, Hawaii 96733-6898

Copies of such correspondence and communications should be sent to:

Dean K. Matsuura  
Director, Regulatory Affairs  
Hawaiian Electric Company, Inc.  
P. O. Box 2750  
Honolulu, Hawaii 96840-0001

and

Peter Y. Kikuta, Esq.  
Goodsill Anderson Quinn & Stifel  
1800 Alii Place  
1099 Alakea Street  
Honolulu, Hawaii 96813

V

The authorized capital stock of MECO consists of 10,000,000 shares of \$10 par value Common Stock (total authorized par value of \$100,000,000), and 1,000,000 shares of \$100 par value Cumulative Preferred Stock (total authorized par value of \$100,000,000), or a total authorized par value of \$200,000,000 for Common Stock and Cumulative Preferred Stock.

As of September 30, 2006, MECO had outstanding 1,582,602 shares of Common Stock of the par value of \$10 per share, having a total par value of \$15,826,020.

A summary of the dividends paid on MECO's Common Stock for the five-year period 2001-2005 and the common stock balance at the end of each of those years is as follows:

<u>Year</u>	<u>Dividends Paid</u>	<u>Common Stock Balance</u>
2005	\$13,728,500	\$15,826,020
2004	17,914,000	15,826,020

2003	12,390,000	15,826,020
2002	9,191,000	15,826,020
2001	13,287,000	15,826,020

As of September 30, 2006, MECO had outstanding 50,000 shares of Cumulative Preferred Stock of the par value of \$100 per share, having a total par value of \$5,000,000.

Details concerning such cumulative Preferred Stock are on file with the Commission under various docket numbers as set forth in MECO-103 and are incorporated herein by reference.

A summary of the dividends accrued on MECO's Preferred Stock for the five year period 2001-2005 and the preferred stock balance at the end of each of those years is as follows:

<u>Year</u>	<u>Dividends Accrued</u>	<u>Preferred Stock Balance</u>
2005	\$381,242	\$5,000,000
2004	381,252	5,000,000
2003	381,250	5,000,000
2002	381,252	5,000,000
2001	381,252	5,000,000

As of September 30, 2006, MECO had outstanding \$10,000,000 in Junior Subordinated Deferrable Interest Debentures ("QUIDS") hybrid securities. Details concerning the QUIDs are on file with the Commission under Docket No. 96-0344, as shown on MECO-103 and are incorporated herein by reference.

As of September 30, 2006, MECO had outstanding \$144,720,000 in obligations to the State of Hawaii for the repayment of Special Purpose Revenue Bonds. Details are on file with the Commission under various docket numbers as set forth in MECO-103 and are incorporated



herein by reference. As of September 30, 2006, MECO had short-term borrowings from its parent company, Hawaiian Electric Company, Inc. ("HECO") of \$14,750,000.

During 2005, MECO paid \$8,275,623 in interest on Special Purpose Revenue Bonds, \$650,000 in interest on Junior Subordinated Deferrable Interest Debentures, and received \$328,418 of interest on loans to HECO. An estimate of the savings realized by MECO's customers by virtue of using Special Purpose Revenue Bonds is shown in MECO-1721 and is incorporated herein by reference.

## VI

MECO's financial statements for the year ended December 31, 2005 are included in footnote no. 16 to HECO's audited financial statements in Form 8-K dated March 7, 2006 filed with the Securities and Exchange Commission, which was routinely filed with the Commission on March 8, 2006, and are incorporated herein by reference.

MECO's unaudited balance sheet as of September 30, 2006, and unaudited income statement and statement of retained earnings for the nine months ended September 30, 2006, are attached hereto as MECO-102.

A general description of MECO's property and equipment are provided in the written direct testimonies and exhibits filed herewith. The original cost of MECO's property and equipment and the applicable depreciation reserve are shown in the September 30, 2006 balance sheet, as well as in the written direct testimonies and exhibits filed herewith.

Hawaiian Electric Industries, Inc.'s ("HEI") 2005 Summary Report to Shareholders, including Appendix A and its SEC Form 10-K report for the year ended December 31, 2005, were routinely filed with the Commission on April 13, 2006, and March 10, 2006, respectively,

and are incorporated herein by reference. HEI's latest Proxy Statement (dated April 5, 2006) is attached hereto as MECO-104.

## VII

MECO's present rates are the result of the Commission's Amended Decision and Order No. 16922 issued April 6, 1999 in Docket No. 97-0346, which utilized a 1999 test year.

Rate schedules currently in effect for MECO's Maui Division are set forth in MECO-105, attached hereto and made a part hereof.

Rate schedules currently in effect for MECO's Lanai Division are set forth in MECO-106, attached hereto and made a part hereof.

Rate schedules currently in effect for MECO's Molokai Division are set forth in MECO-107, attached hereto and made a part hereof.

MECO-108 sets forth the proposed rate schedules for MECO's Maui Division.

MECO-109 sets forth the proposed rate schedules for MECO's Lanai Division.

MECO-110 sets forth the proposed rate schedules for MECO's Molokai Division.

The proposed revisions to MECO's rate schedules, including the establishment of an inclining rate block structure for residential customers, the discontinuance of Rider EV-R and Rider EV-C, and the addition of Schedules TOU-R, TOU-G, TOU-J and TOU-P are described in MECO T-18, and the exhibits and workpapers thereto, which are incorporated herein by reference.

MECO-111 sets forth MECO's present Table of Contents and Rule 7 and Rule 8.

MECO-112 sets forth MECO's proposed Table of Contents and proposed Rule 7 and Rule 8. As explained by Mr. Peter Young in MECO T-18, MECO's proposed Rule 7 increases

the Service Establishment Charge from \$15.00 to \$25.00 and increases the same day service connection charge from the current \$10.00 to \$20.00. MECO's proposed Rule 8 changes the Returned Check Charge to a Returned Payment Charge and increases the current charge from the \$10.00 to \$25.00 per returned check or returned payment; and increases the Field Collection Charge from \$15.00 to \$25.00 per field collection call.

The proposed rate increases by rate classes for each division for the normalized 2007 test year are shown in MECO-113. This exhibit shows revenues at present rates, the total increase requested in terms of dollars and by percentage, and the increase to the different classes of service in terms of dollars and by percentage for each division. The actual increase amounts for each division and each rate schedule may be different from the proposed amounts, as a result of the Commission's decision with respect to the allocation of the increase to the Divisions and among the various rate schedules. The increase experienced by a particular customer will depend on the customer's schedule of service, and other factors, such as the customer's energy use and the customer's billing demand (where applicable).

The Commission will investigate the reasonableness of the proposed revenue increase and rate schedule changes. The total revenue increase will not exceed the \$18,977,000 over revenues at present rates requested by the application, but the rates and charges to be finally approved by the Commission after its investigation may be higher or lower than the proposed rates and charges for the various schedules of service.

Summaries of MECO's estimated earnings on its average rate base at present rates for the normalized 2007 test year are shown in MECO-114. The estimated results of operations at present rates and proposed rates, which are described in MECO T-20 of the written direct

testimonies (Results of Operations, Revenue Requirements, Implementation of the Proposed Rate Increase and Summary), have been prepared on a consistent basis reflecting normalized conditions, and are shown in MECO-2001, which is incorporated herein by reference.

The recorded results of operations for calendar year 2005 were filed with the Commission on February 24, 2006 and are incorporated herein by reference. The latest recorded results of operations for the 12 months ending September 30, 2006 were filed with the Commission on October 30, 2006 and are incorporated herein by reference.

Significant projected changes since December 31, 2005 in plant-in-service, revenues and expenses for the test period are discussed in the written direct testimonies and reflected in the supporting exhibits and workpapers, which are incorporated herein by reference.

The methods which MECO has elected to employ in computing deferred taxes, investment tax credits, and depreciation deductions for determining federal income tax payments, and whether MECO has used the same methods in calculating federal income taxes for the test period, are shown in written direct testimony MECO T-13, and the exhibits and workpapers thereto, which are incorporated herein by reference.

The requested increase reflects and passes through to MECO's customers only increased costs to MECO for the services and commodities furnished to it, as described in the written direct testimonies and exhibits.

## VIII

Pursuant to Section 6-61-85 of the Rules of Practice and Procedure, MECO filed a Notice of Intent to file a general rate increase application on September 22, 2006, at which time the rate case was assigned Docket No. 2006-0387. On December 19, 2006, MECO filed a Motion for

Approval of Test Period Waiver, requesting the Commission to allow MECO to use a calendar year 2007 test period in support of its application for a general rate increase to be filed with the Commission on or after January 1, 2007 (but before June 30, 2007). On January 11, 2007, the Commission issued Order No. 23188 approving MECO's motion. The reasons for the requested increase are set forth in the written direct testimonies, exhibits, and workpapers filed herewith, and are summarized below and in written direct testimonies MECO T-1 (Introductory Statement) and MECO T-20 (Results of Operations, Revenue Requirements, Implementation of the Proposed Rate Increases, and Summary).

MECO has filed this request for a general rate increase because rate relief will be required due in part to MECO's investment in Maalaea Unit M18 that went into service in October 2006 and Unit M19 that went into service in September 2000. MECO will also require rate relief due to additional investment in plant and equipment, increasing costs for labor (including wage increases pursuant to MECO's bargaining unit contract), materials, contract services, depreciation, and other operating expenses, and its increased cost of capital. Without further rate relief in this proceeding, it is estimated that, at present rates (based on September 1, 2006 fuel oil prices), MECO's rate of return on its average rate base will be approximately 6.24% for the normalized 2007 test year, as compared to the 8.83% authorized by the Commission in Docket No. 97-0346, the 9.13% authorized by the Commission in Docket No. 96-0040 for test year 1997, and the 8.98% justified in this docket.

WHEREFORE, MECO prays:

1. That the required public hearing and evidentiary hearing be held on this application;
2. That the Commission establish a procedural schedule with the intent to make every effort to complete its deliberations in order to render a decision such that an increase in rates is effective as soon as practicable;
3. That the Commission approve MECO's requested revenue increase of \$18,977,000 over present rates for the normalized 2007 test year (based on September 1, 2006 fuel oil prices), and its revised rate schedules and rules;
4. That the Commission approve an Interim Increase to which the Commission, based on the evidentiary record before it, believes MECO is probably entitled, to be effective as soon as practicable, pursuant to Section 269-16(d), H.R.S.;
5. That the Commission approve a Final Increase (which would incorporate the Interim Increase), such that the combined impact of the Interim and Final Increases yields the requested revenue increase of \$18,977,000 over present rates for the normalized 2007 test year (based on September 1, 2006 fuel oil prices and a rate of return on rate base of 8.98%);
6. That the Commission grant MECO such other and further relief as may be just and equitable in the premises.

DATED: Honolulu, Hawaii, February 23, 2007.

MAUI ELECTRIC COMPANY, LIMITED

By Edward L. Reinhardt  
Edward L. Reinhardt  
President

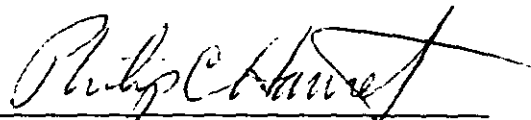
VERIFICATION

STATE OF HAWAII            )  
                                      ) ss.  
COUNTY OF MAUI         )

EDWARD L. REINHARDT, being first duly sworn, on oath, deposes and says: That he is the President of Maui Electric Company, Limited, the within-named applicant; that he makes this verification for and on behalf of said applicant and is authorized so to do; that he has read the foregoing Application, knows the content thereof, and that the same are true.

  
\_\_\_\_\_  
EDWARD L. REINHARDT

Subscribed and sworn to before me  
this 22<sup>nd</sup> day of February 2007.

  
\_\_\_\_\_  
Notary Public, State of Hawaii PHILIP C. HAURET

LS  
My commission expires: Dec. 3, 2008

CERTIFICATE OF SERVICE

I hereby certify that on February 23, 2007, I served one copy each of the foregoing completed Application, including written direct testimonies, exhibits and workpapers, together with this Certificate of Service, by hand delivery or carrier to the following at the following addresses:

Division of Consumer Advocacy  
Department of Commerce and Consumer Affairs  
333 Merchant Street, Room 326  
Honolulu, Hawaii 96813

Mr. Michael L. Brosch  
Utilitech, Inc.  
740 North West Blue Parkway, Suite 204  
Lee's Summit, Missouri 64086

Mr. Joseph A. Herz  
Sawvel & Associates, Inc.  
100 East Main Cross Street, Suite 300  
Findlay, Ohio 45840

Pursuant to an agreement with the Consumer Advocate, three double-sided copies of the completed Application, including written direct testimonies, exhibits, and workpapers together with this Certificate of Service will be hand delivered on February 23, 2007 at the Division of Consumer Advocacy's address.

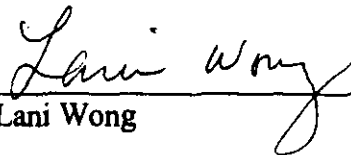
One copy of the completed Application, including written direct testimonies, exhibits and workpapers together with this Certificate of Service was served by hand delivery on February 23, 2007 at the following address:



The Honorable Charmaine Tavares  
Mayor, County of Maui  
200 South High Street  
Wailuku, Hawaii 96793

DATED: Honolulu, Hawaii, February 23, 2007.

HAWAIIAN ELECTRIC COMPANY, INC.

  
Lani Wong

Maui Electric Company, Limited  
BALANCE SHEET  
(Unaudited)  
As of September 30, 2006

UTILITY PLANT AT COST :

In Service :

Land	\$ 1,713,140
Plant and Equipment	697,150,483
Utility Plant in Service	<u>698,863,623</u>

Property Held for Future Use	2,633,044
Construction Work in Progress	59,667,623
Plant Acquisition Adjustment	106,187
Less Accumulated Provision for Depreciation	<u>(301,372,897)</u>
Net Utility Plant	<u>459,897,580</u>

Other Property:

Non-Utility Property	228,584
Less Accumulated Provision for Depreciation	<u>(26,930)</u>
Net Other Property	<u>201,654</u>

CURRENT ASSETS :

Cash	1,467,184
Notes Receivable from Associated Companies	-
Customer Accounts Receivable	21,468,509
Less Allowance for Uncollectible Accounts	<u>(72,846)</u>
Net Customer Accounts Receivable	<u>21,395,663</u>

Accrued Unbilled Revenues, net	14,944,731
Other Accounts Receivable, net	1,179,953
Fuel Oil Stock, at Average Cost	17,253,624
Construction & Operating Materials & Supplies, at Average Cost	11,486,207
Prepaid Pension Benefit Cost	5,995,303
Other	<u>749,235</u>
Total Current Assets	<u>74,471,900</u>

OTHER ASSETS

Regulatory Assets	15,046,502
Unamortized Debt Expense	2,121,490
Other	<u>3,230,658</u>
Total Other Assets	<u>20,398,650</u>

TOTAL ASSETS	<u>\$ 554,969,784</u>
--------------	-----------------------

Maui Electric Company, Limited  
BALANCE SHEET  
(Unaudited)  
As of September 30, 2006

CAPITALIZATION :

Common Stock Equity	
Common Stock @ \$10 Par Value	\$ 15,826,020
Premium on Capital Stock, net of Capital Stock Expense	79,093,732
Retained Earnings	106,937,985
Total Common Stock Equity	<u>201,857,737</u>
Cumulative Preferred Stock of \$100 Par Value	5,000,000
Total Stockholders' Equity	<u>206,857,737</u>

QUIDS 10,000,000

Long-Term Debt	
Revenue Bonds, net of discount, and Less Funds on Deposit with Trustee	143,887,685
Total Capitalization	<u>360,745,422</u>

CURRENT LIABILITIES

Short Term Borrowings from Associated Companies	14,750,000
Accounts Payable	15,849,784
Payable To Associated Companies	682,702
Customer Deposits	3,293,763
Taxes Accrued	29,758,927
Interest and Preferred Dividends Payable	3,004,534
Other	4,241,850
Total Current Liabilities	<u>71,581,560</u>

DEFERRED CREDITS

Deferred Income Taxes	20,474,722
Unamortized Tax Credits	12,082,402
Regulatory Liabilities	31,808,126
Other	8,749,889
Total Deferred Credits	<u>73,115,139</u>

CONTRIBUTIONS IN AID OF CONSTRUCTION 49,527,663

TOTAL CAPITALIZATION & LIABILITIES \$ 554,969,784

Maui Electric Company, Limited  
STATEMENT OF INCOME  
(Unaudited)  
For the Nine Months Ended September 30, 2006

OPERATING REVENUES

Electric Revenues	\$ 255,760,957
Other	1,038,532
Total Operating Revenues	<u>256,799,489</u>

OPERATING EXPENSES

Production	
Fuel Oil	134,719,443
Purchased Power	19,418,485
Other Production	7,549,101
Transmission and Distribution Operations	2,079,278
Maintenance	10,452,296
Customer Accounts & Customer Service	4,702,473
Administrative and General	7,533,171
Depreciation	19,225,787
Taxes, Other Than Income Taxes	23,734,880
Tax Credits, Deferred, Net	825,259
Income Taxes	8,146,331
Total Operating Expenses	<u>238,386,504</u>

OPERATING INCOME

18,412,985

OTHER INCOME AND DEDUCTIONS

Allowance for Equity Funds Used During Construction	1,816,453
Other	977,305
Total Other Income & Deductions	<u>2,793,758</u>

INTEREST CHARGES

Interest on Long-Term Debt	6,681,293
Amortization of Net Bond Premium & Expense	309,795
Other Interest Charges	583,734
Allowance for Debt Funds Used During Construction	(843,636)
Total Interest Charges	<u>6,731,186</u>

NET INCOME

14,475,557

Preferred Stock Dividends

285,937

NET INCOME FOR COMMON STOCK

\$ 14,189,620

Maui Electric Company, Limited  
STATEMENT OF RETAINED EARNINGS  
(Unaudited)  
For the Nine Months Ended September 30, 2006

Retained Earnings, Beginning of Period	\$ 99,270,365
Net Income for Common Stock	14,189,620
Common Stock Dividends	<u>(6,522,000)</u>
Retained Earnings, End of Period	<u>\$ 106,937,985</u>

Maui Electric Company, Limited

SCHEDULE OF OUTSTANDING ISSUES OF PREFERRED STOCK,  
LONG-TERM DEBT AND HYBRID SECURITIES  
FOR INCORPORATION BY REFERENCE  
As of September 30, 2006

Year Issued	Description	Total Par Value	Docket No. and Date	Commission Decision & Order and Date
<u>Preferred Stock</u>				
1993	Series H, 7 5/8% 50,000 shares	\$ 5,000,000	7624 2/26/1993	12651 10/6/1993
TOTAL OUTSTANDING 9/30/06		<u>\$ 5,000,000</u>		

Maui Electric Company, Limited

SCHEDULE OF OUTSTANDING ISSUES OF PREFERRED STOCK,  
LONG-TERM DEBT AND HYBRID SECURITIES  
FOR INCORPORATION BY REFERENCE  
As of September 30, 2006

Year Issued	Description	Issue Amount	Docket No. and Date	Commission Decision & Order and Date
<u>Hybrid Security</u>				
2004	6.50% Junior Subordinated Deferrable Interest Debentures, Series 2004 (2004 QUIPS) due 2034	\$ 10,000,000	03-0409 12/8/2003	20803 2/13/2004 Amended by 20812 2/24/2004
TOTAL OUTSTANDING 9/30/06		<u>\$ 10,000,000</u>		

Maui Electric Company, Limited

SCHEDULE OF OUTSTANDING ISSUES OF PREFERRED STOCK,  
LONG-TERM DEBT AND HYBRID SECURITIES  
FOR INCORPORATION BY REFERENCE  
As of September 30, 2006

Year Issued	Description	Issue Amount	Docket No. and Date	Commission Decision & Order and Date
<u>Long-Term Debt</u>				
<u>State of Hawaii - Special Purpose Revenue Bonds</u>				
1993	5.45% Series 1993 due 2023	\$ 30,000,000	7624 / 6797 2/26/1993	12651 10/6/1993
1996	6.20% Series 1996A due 2026	20,000,000	95-0096 4/28/1995	14396 - 11/28/95 14517 - 2/12/96
1996	5 7/8 % Series 1996B due 2026	35,000,000	95-0096 4/28/1995	PUC approval 10/10/1996
1997	5.65% Series 1997A due 2027	20,000,000	95-0096 / 96-0381 4/28/95 & 9/30/96	PUC approval 9/30/1997
1998	4.95% Refunding Series 1998A due 2012	7,720,000	97-0351 9/29/1997	16145 1/5/1998
1999	5.75% Refunding Series 1999B due 2018	9,000,000	99-0060 3/12/1999	17057 6/29/1999
1999	6.15% Series Refunding 1999D due 2020	1,000,000	99-0060 3/12/1999	17057 6/29/1999
2000	5.70% Refunding Series 2000 due 2020	20,000,000	00-0120 4/14/2000	18151 10/20/2000
2005	4.80% Refunding Series 2005A due 2025	2,000,000	04-0303 10/15/2004	21497 12/17/2004
TOTAL OUTSTANDING 9/30/06		<u>\$ 144,720,000</u>		



HAWAIIAN ELECTRIC INDUSTRIES, INC. • PO BOX 730 • HONOLULU, HI 96808-0730



Robert F. Clarke  
*Chairman, President and  
Chief Executive Officer*

April 5, 2006

Dear Fellow Shareholder:

On behalf of the Board of Directors, it is once again my pleasure to invite you to attend the Annual Meeting of Shareholders of Hawaiian Electric Industries, Inc. (HEI). The meeting will be held on the Company's premises in Room 805 on the eighth floor of the American Savings Bank Tower in Honolulu, Hawaii on May 2, 2006, at 9:30 a.m. A map showing the location of the meeting site appears on page 39 of the Proxy Statement.

The accompanying Notice of Annual Meeting of Shareholders and Proxy Statement describe the items of business to be conducted during the meeting. In addition, we will review significant events of 2005 and their impact on you and your Company. Corporate officers will be available before and after the meeting to talk with you and answer any questions you may have.

As a shareholder of HEI, it is important that your views be represented. Please help us obtain the quorum needed to conduct business at the meeting by promptly voting your shares.

After holding various positions with HEI for 19 years, I will be retiring in May. The Board has elected Constance Lau to succeed me as President and CEO and has named Jeffrey Watanabe as nonexecutive Chairman of the Board. I join Connie, Jeff, and the management team of HEI in expressing our appreciation for your confidence and support. I look forward to seeing you at the Annual Meeting in Honolulu.

Sincerely,

A handwritten signature in cursive script that reads "Robert F. Clarke".



Recycled

Hawaiian Electric Industries  
900 Richards Street  
Honolulu, Hawaii 96813



**NOTICE OF ANNUAL MEETING**

**Date and time** Tuesday, May 2, 2006, at 9:30 a.m.

**Place** American Savings Bank Tower, 1001 Bishop Street, 8th floor, Room 805, Honolulu, Hawaii 96813.

**Items of Business**

1. Elect four Class I directors.
2. Elect KPMG LLP as the Company's independent registered public accounting firm.
3. Approve amending Article Fourth of the Restated Articles of Incorporation to increase the number of authorized common shares to 200,000,000.
4. Approve the 1990 Nonemployee Director Stock Plan, as amended and restated.
5. Approve amending Article Sixth of the Restated Articles of Incorporation to modify provisions related to the independent registered public accounting firm.
6. Transact any other business properly brought before the meeting.

**Record Date** February 23, 2006.

**Annual Report** The 2005 Annual Report to Shareholders (Appendix A) and Summary Report to Shareholders, which are not a part of the proxy solicitation materials, have been mailed along with this Notice and accompanying Proxy Statement.

**Proxy Voting**

Shareholders of record may appoint proxies and vote their shares in one of three ways:

- Via Internet pursuant to the instructions on the proxy card;
- Calling the toll-free number on the proxy card; or
- Signing, dating, and mailing the proxy card in the prepaid envelope provided.

Shareholders whose shares are held by a bank, broker, or other financial intermediary (street name) should follow the voting instruction card included by the intermediary.

Any proxy may be revoked in the manner described in the accompanying Proxy Statement.

**Attendance at Meeting** If your shares are registered in street name, please bring a letter from your bank or broker or provide other evidence of your beneficial ownership if you plan to attend the Annual Meeting.

By Order of the Board of Directors

April 5, 2006

Patricia U. Wong  
Vice President-Administration and Secretary

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## **Proxy Statement**

Hawaiian Electric Industries, Inc. is soliciting proxies for the Annual Meeting of Shareholders scheduled for May 2, 2006. The mailing address of the principal executive offices of the Company is P.O. Box 730, Honolulu, Hawaii 96808-0730.

The approximate mailing date for this Proxy Statement, form of proxy, and annual and summary reports to shareholders for the fiscal year ended December 31, 2005, is April 5, 2006. The annual report and summary report are not considered proxy soliciting materials.

### **About the Meeting**

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#### **Who can attend the meeting?**

Attendance will be limited to:

- shareholders of record;
- beneficial owners of HEI Common Stock ("Common Stock") having evidence of ownership and entitled to vote at the meeting;
- authorized representatives of absent shareholders; and
- invited guests of management.

If you own shares of Common Stock in the name of a bank, brokerage firm or other holder of record, you must show proof of ownership. This may be in the form of a letter from the holder of record or a recent statement from the bank or broker showing ownership of Common Stock.

Any person claiming to be an authorized representative of a shareholder must produce written evidence of the authorization.

#### **What are shareholders being asked to vote on?**

- Election of four Class I directors for a three-year term expiring at the 2009 Annual Meeting of Shareholders.
- Election of KPMG LLP as the Company's independent registered public accounting firm.
- Approval to amend Article Fourth of the Restated Articles of Incorporation to increase the number of authorized common shares to 200,000,000.
- Approval of the 1990 Nonemployee Director Stock Plan, as amended and restated.
- Approval to amend Section (b) of Article Sixth of the Restated Articles of Incorporation to modify provisions related to the independent registered public accounting firm.

### **Voting Procedures**

---

#### **Who is eligible to vote?**

Only shareholders of record at the close of business on February 23, 2006 (the record date) are entitled to vote.

**How many shares are outstanding and entitled to vote?**

On February 23, 2006, 81,051,976 shares of Common Stock were outstanding. Each shareholder is entitled to one vote for each share held. Under the By-Laws of the Company, shareholders do not have cumulative voting rights in the election of directors.

**What constitutes a quorum?**

A quorum is needed to conduct business at the Annual Meeting. A majority of the shares entitled to vote at the meeting constitutes a quorum. Abstentions and broker nonvotes will be counted in the number of shares present, in person or by proxy, for purposes of determining a quorum. A broker nonvote occurs when a broker does not have discretionary voting power to vote on a specific matter (such as nonroutine proposals) and has not received voting instructions from the beneficial owner.

**How do shareholders vote?**

Whether or not you plan to attend the Annual Meeting, please take the time to vote. You may vote by mail, telephone, or on-line via the Internet. The telephone and Internet procedures are designed to authenticate and confirm that your voting instructions are followed. You do not need to return your proxy if you vote by telephone or via the Internet.

- **BY MAIL:** Please mark your vote and sign, date, and promptly return the proxy in the enclosed postage-paid envelope. If you return the signed proxy but do not mark the boxes showing how you wish to vote, your votes will be cast following the recommendations of management on all proposals.
- **BY TELEPHONE:** Please call the toll-free telephone number on the proxy (1-888-693-8683). Once connected, you will be prompted to record and confirm your vote. Telephone voting is available 24 hours a day, through Monday, May 1, 2006, 11:59 p.m. (EDT).
- **BY INTERNET:** You may vote on-line by using the following Internet address: <http://www.cesvote.com>. Specific instructions will be available allowing you to record and confirm your vote. Internet voting is available 24 hours a day, through Monday, May 1, 2006, 11:59 p.m. (EDT).
- **IN PERSON:** You may vote your shares by attending the Annual Meeting and voting in person. If you wish to give your proxy to someone other than the individuals listed on the enclosed proxy, cross out all three names and insert the name of another person to vote your shares at the meeting.

**How do shareholders vote if their shares are held in street name?**

If your shares are held in "street name" (that is, through a broker, trustee or other holder of record), you will receive a proxy card from your broker seeking instruction as to how your shares should be voted. If no instructions are given, your broker or nominee may vote your shares at its discretion on your behalf on routine matters (such as the election of directors and the independent registered public accounting firm) under New York Stock Exchange rules.

You may not vote shares held in "street name" at the Annual Meeting unless you obtain a legal proxy from your broker or holder of record.

**How do shareholders vote if their shares are held in the Dividend Reinvestment and Stock Purchase Plan (DRIP) and/or the 401(k) Hawaiian Electric Industries Retirement Savings Plan (HEIRS)?**

If you own shares held in DRIP and HEIRS (including shares previously received under the Tax Reduction Act Stock Ownership Plan (TRASOP)), the respective plan trustees will vote the shares of stock held in these Plans according to your directions. For both DRIP and HEIRS, the respective trustees will vote all the shares of Common Stock for which they receive no voting instructions in the same proportion as they vote shares for which they receive instruction.

**Can shareholders change their vote?**

If you execute and return a proxy, you may revoke it at any time before the Annual Meeting in one of three ways:

- submit a properly signed proxy with a later date or vote again at a later time by telephone or Internet;
- notify the Secretary of the Company in writing; or
- vote in person at the Annual Meeting (if your shares are registered directly on the Company's books or, if your shares are held in "street name", you have a legal proxy from your broker or holder of record).

**How many votes are required?**

If a quorum is present at the Annual Meeting, then:

- directors shall be elected by a plurality of the votes cast in the election;
- the Company's independent registered public accounting firm shall be elected if more votes are cast in favor of election than against election;
- Articles Fourth and Sixth of the Articles of Incorporation shall be amended if no less than two-thirds of the shares entitled to vote are cast in favor of the amendment; and
- the 1990 Nonemployee Director Stock Plan, as amended and restated shall be approved if a majority of the votes cast are in favor of the amendments and the total vote cast on the proposal represents more than 50% of all shares entitled to vote.

Abstentions and broker nonvotes will count in establishing a quorum, but will not otherwise affect the outcome of the election of directors or the Company's independent registered public accounting firm. Abstentions and broker nonvotes, if any, will have the same effect as voting against the amendments to the Articles of Incorporation. Abstentions and broker nonvotes will not affect the outcome of the proposal to approve the 1990 Nonemployee Director Stock Plan, as amended and restated unless they cause the total votes cast to be less than 50% of the shares entitled to vote.

**Who will count the votes and are the votes confidential?**

Corporate Election Services will act as tabulator for broker and bank proxies as well as the proxies of the other shareholders of record. Your identity and vote will not be disclosed to persons other than those acting as tabulators except as follows:

- as required by law;
- to verify the validity of proxies and the results of the voting in the case of a contested proxy solicitation; or
- when you write a comment on the proxy form.

### **Proposals You May Vote On**

---

#### **1. Election of Class I Directors**

The Board of Directors currently consists of 12 directors divided into three classes with staggered terms so that one class of directors must be elected at each Annual Meeting.

This year, the four Class I nominees being proposed for election at this Annual Meeting are:

- Shirley J. Daniel
- Constance H. Lau
- A. Maurice Myers
- James K. Scott

Robert F. Clarke, a Class I director, has announced his retirement from the Company and his service as a director will end at the 2006 Annual Meeting of Shareholders. Constance H. Lau is being proposed for election to the Board of Directors as a Class I director, replacing Mr. Clarke. She will succeed Mr. Clarke, as President and Chief Executive Officer of the Company at the Annual Meeting of Shareholders on May 2, 2006. Ms. Lau was previously a director of HEI from June 2001 to December 2004.

Each nominee, except Ms. Lau, is currently a member of the Board of Directors and has consented to serve for the new term expiring at the 2009 Annual Meeting. If a nominee is unable to stand for election, the proxy holders listed in the proxy may vote in their discretion for a suitable substitute.

**YOUR BOARD RECOMMENDS THAT YOU VOTE FOR EACH OF THE NOMINEES FOR CLASS I DIRECTORS.**

Detailed information on each nominee and Class II and III directors is provided on pages 9 to 11.

#### **2. Election of Independent Registered Public Accounting Firm**

KPMG LLP, an independent registered public accounting firm, has been the auditor of the Company since 1981. The Audit Committee selected KPMG LLP as its independent registered public accounting firm for 2006. The Board of Directors, upon the recommendation of its Audit Committee, recommends the election of KPMG LLP as the independent registered public accounting firm of the Company for fiscal year 2006 and thereafter until its successor is elected. Representatives of KPMG LLP will be present at the Annual Meeting and will be given the opportunity to make a statement and to respond to appropriate questions.

**YOUR BOARD RECOMMENDS THAT YOU VOTE FOR KPMG LLP AS INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM OF THE COMPANY.**



**3. Amend the Restated Articles of Incorporation to Increase Authorized Shares of Common Stock**

On January 31, 2006, the Company's Board of Directors recommended, pursuant to Section 414-283 of the Hawaii Business Corporation Act, that the shareholders approve at the Annual Meeting an amendment to Article Fourth of the Company's Restated Articles of Incorporation to increase the authorized number of shares of the Company's Common Stock, without par value, from 100,000,000 shares to 200,000,000 shares. If the proposed amendment is adopted, the total number of shares of all classes of stock which the Company is authorized to issue would be 210,000,000. The text of the proposed amendment is set forth in Appendix B to this Proxy Statement.

**Reasons for Approval of the Proposed Increase in Authorized Common Shares**

On June 10, 2004, the Company effected a two-for-one stock split, which increased the number of issued shares to 80,373,804. As of December 31, 2005, 80,983,326 shares of Common Stock were issued (of which 80,983,326 were outstanding and zero were held as treasury shares of the Company) leaving a balance of only 19,016,674 authorized but unissued shares of Common Stock available for issuance without further action by the shareholders. As of December 31, 2005, none of the Company's 10,000,000 shares of Preferred Stock, without par value, have been issued.

Although the Company's management currently has no plan or intention to take any of the following actions, the Board of Directors believes that it is necessary, and in the best interests of the Company, to have additional shares of Common Stock available for future stock splits or stock dividends, financings, acquisitions and other general corporate purposes. The Board considers this amendment advisable to provide the Company's management with greater flexibility to pursue transactions in which an issuance of Common Stock might be appropriate or desirable without the expense and delay of calling and holding a special shareholders' meeting for such a purpose at a later date. Aside from the issuance of Common Stock pursuant to employee stock options and the nonemployee director stock plan, the Company has not entered into any agreements, commitments or plans with respect to the sale or issuance of additional shares of Common Stock.

The increase in the authorized number of shares of Common Stock and the subsequent issuance of such shares could be used by the Board to delay or make more difficult a change of control of the Company. The proposed amendment is not prompted by any specific effort or takeover threat and management of the Company is not currently aware of any efforts to obtain control of the Company.

If the proposed amendment is approved by the shareholders, the Board may issue such additional shares without further action of, or authorization by, the shareholders, except as may be required by applicable law. The additional shares, when issued, will have the same rights and privileges as the shares of Common Stock currently outstanding. Shareholders have no preemptive rights to subscribe for or purchase any additional shares of Common Stock, except as may be agreed from time to time by the Board.

**YOUR BOARD RECOMMENDS THAT YOU VOTE FOR THE AMENDMENT TO THE RESTATED ARTICLES OF INCORPORATION TO INCREASE THE NUMBER OF AUTHORIZED SHARES OF COMMON STOCK FROM 100,000,000 TO 200,000,000.**

**4. Amend the 1990 Nonemployee Director Stock Plan**

The 1990 Nonemployee Director Stock Plan, as previously amended ("the Plan"), provides nonemployee directors with incentives to improve the Company's performance by increasing the level

of stock owned by nonemployee directors to reinforce their role in enhancing shareholder value and to provide an additional means of attracting and retaining nonemployee directors.

As further described below, 200,000 shares of Company Common Stock (as adjusted for the Company's 2004 stock split) had been reserved for issuance under the Plan (176,722 shares of which have been issued as of the date hereof). The Board of Directors has amended the Plan, subject to your approval of this proposal, to reserve an additional 100,000 shares of Common Stock for issuance.

Attached as Appendix C to this proxy statement is a copy of the Plan as it would be amended and restated upon approval of the proposed amendment. The following summary of the Plan is qualified in its entirety by reference to the full text of the Plan, which is incorporated herein by reference.

**YOUR BOARD RECOMMENDS THAT YOU VOTE FOR THE APPROVAL OF THE AMENDMENTS TO THE 1990 NONEMPLOYEE DIRECTOR STOCK PLAN.**

*Summary of Plan Terms*

The Plan was originally adopted by the Company in 1990. It was subsequently amended in certain respects and, in 2002, was amended to incorporate provisions formerly memorialized in the Company's 1999 Nonemployee Company Director Stock Grant (the "1999 Plan"), which was thereupon superseded. The Plan has been amended in certain respects since 2002.

The plan is administered in the discretion of the Company's Nominating and Corporate Governance Committee or such other committee as may be appointed from time to time by the Company's Board of Directors (the "Committee"). The Plan provides benefits to nonemployee directors of the Company ("Nonemployee Company Directors") and nonemployee directors of Company subsidiaries ("Nonemployee Participating Company Directors") whose participation in the Plan has been approved by the Company's Board of Directors (a "Participating Company"). Currently, 11 HEI and 9 American Savings Bank, F.S.B. ("ASB") and Hawaiian Electric Company, Inc. ("HECO") directors participate in the Plan. ASB and HECO are subsidiaries of the Company.

Under the terms of the Plan: (i) each Nonemployee Company Director who serves in that capacity immediately following the date of an Annual Meeting of Shareholders of the Company receives a grant of Common Stock (a "Stock Payment") equal to one thousand four hundred (1,400) shares of Common Stock (two thousand (2,000) shares in the case of the first Stock Payment to a Nonemployee Company Director); and (ii) each nonemployee director of Company subsidiaries who serves in that capacity immediately following the date of an Annual Meeting of Shareholders receives a Stock Payment equal to one thousand (1,000) shares of Common Stock. Each individual who, during any calendar year, becomes a Nonemployee Company Director or Nonemployee Participating Company Director for the first time, other than at the Annual Meeting of Shareholders (whether by election or appointment as a director of the Company or a Participating Company), receives a Stock Payment equal to two thousand (2,000) shares of Common Stock (in the case of the Company) or one thousand (1,000) shares of Common Stock (in the case of a Participating Company). The dollar value of such Stock Payments will vary with changes in the fair market value of Company Common Stock. Such Stock Payments are paid by the Company as soon as practicable following the date the director is first elected or appointed to the Board of Directors of the Company or the Board of Directors of a Participating Company, as the case may be.

Once granted, the shares of Common Stock are not subject to forfeiture.

Before its amendment as described in this proposal, the Plan provided that the maximum number of shares of Company Common Stock that may be issued under the Plan, when taken together with any shares ever granted under the 1999 Plan, is 200,000 (as adjusted for the Company's 2004 stock split). As noted above, the proposed amendment would increase that amount by 100,000 shares to 300,000 shares (subject to appropriate adjustments upon changes in capitalization, such as a stock split).

The Board of Directors of the Company in its discretion may amend, suspend or terminate the Plan at any time. However, no such amendment will, without approval of the shareholders of the Company, change the class of persons eligible to receive Stock Payments under the Plan or otherwise modify the requirements as to eligibility for participation in the Plan, or increase the number of shares of Common Stock which may be issued under the Plan. Moreover, no amendment, suspension or termination of the Plan will, without the consent of any affected Nonemployee Company Director or Nonemployee Participating Company Director, alter, terminate, impair, or adversely affect any right or obligations under any Stock Payment previously granted under the Plan unless such amendment, suspension or termination is required by applicable law. Notwithstanding the foregoing, the Board of Directors of the Company may, without further action by the shareholders of the Company, amend the Plan or modify Stock Payments under the Plan in response to changes in securities or other laws, or rules, regulations or regulatory interpretations thereof, applicable to the Plan, or to comply with stock exchange rules or requirements.

Unless terminated earlier by the Board of Directors of the Company, the Plan will expire on April 27, 2010.

**5. Amend the Restated Articles of Incorporation to modify provisions related to the independent registered public accounting firm.**

On March 6, 2006, the Audit Committee of the Company's Board of Directors, which is comprised of independent directors, recommended, and on March 7, 2006, pursuant to Section 414-283 of the Hawaii Business Corporation Act, the Company's Board of Directors recommended, that the shareholders approve at the Annual Meeting an amendment to Section (b) of Article Sixth of the Company's Restated Articles of Incorporation to provide for the authority of the Audit Committee over the appointment, removal, compensation and oversight of the Company's independent registered public accounting firm; to provide for shareholder ratification, rather than election, of the appointment of the independent registered public accounting firm; to eliminate certain historical language; and make certain other changes in that provision. The text of the proposed amendment is set forth in Appendix D to this Proxy Statement.

**Reasons for Approval of the Proposed Amendment**

Currently the Company's Restated Articles of Incorporation provide that the Company's auditor shall be elected by the shareholders and serve until a successor is elected, but do not reflect the important role that the Company's Audit Committee plays in the auditor retention process. The proposed amendment to the Restated Articles of Incorporation would address this issue by embodying in the Company's Restated Articles of Incorporation one of the hallmarks of good corporate governance contained in the Sarbanes-Oxley Act of 2002, namely that the Audit Committee shall be responsible for the appointment, compensation and oversight of the independent registered public accounting firm. The Audit Committee and the Board believe that elevating this requirement into the Company's fundamental organizational document underscores their commitment to this central principle of good corporate governance.

More particularly, by requiring that the shareholders elect the auditor, the existing provision constrains the ability of the Audit Committee to remove and replace the Company's independent registered public accounting firm at any time other than when recommending an independent registered public accounting firm to the shareholders in connection with the Company's annual meeting of shareholders, because changing the auditor at other times of the year would require a special meeting of shareholders to effect the change. The need to remove or replace the independent registered public accounting firm can arise, however, at any time throughout the year, such as when the Audit Committee determines that it is in the best interest of the Company and its shareholders that the independent registered public accounting firm be removed or replaced or when the existing independent registered public accounting firm resigns. The delay occasioned in calling a special meeting of shareholders could impair the Audit Committee's ability to respond effectively in such circumstances.

The proposed amendments avoid the potential issues present in the existing provision by empowering the Audit Committee to appoint and remove the independent registered public accounting firm in these circumstances. In addition, the Audit Committee believes that enhancing the Audit Committee's authority over appointment and removal of the independent registered public accounting firm will increase the independent registered public accounting firm's accountability to the Audit Committee, because the independent registered public accounting firm will know that retention decisions can be made without the added delay and uncertainty of a shareholder meeting. The proposed revisions would require that any such appointment be subject to later ratification by the shareholders, thereby ensuring that shareholders would retain a voice in the independent registered public accounting firm retention process.

The other changes to Section (b) of Article Sixth of the Restated Articles of Incorporation are designed to specify that the stockholders ratify not elect the independent registered public accounting firm, to eliminate certain historical language, and to clarify that the independent auditor shall be an independent registered public accounting firm.

THE AUDIT COMMITTEE AND THE BOARD OF DIRECTORS RECOMMEND THAT YOU VOTE FOR THE AMENDMENT TO THE RESTATED ARTICLES OF INCORPORATION TO MODIFY PROVISIONS RELATING TO THE INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM.

**Nominees for Class I directors whose terms expire at the 2009 Annual Meeting**



**Shirley J. Daniel, Ph.D.,  
C.P.A.**

**Age 52**

**Director Since 2002**

Professor of Accountancy,  
College of Business Admin-  
istration, University of  
Hawaii-Manoa since 1986.

Director of American  
Savings Bank, F.S.B., Pacific  
Asian Management Insti-  
tute, and University of  
Hawaii Center for Interna-  
tional Business Education  
and Research. Henry A.  
Walker, Jr. Distinguished  
Professor of Business  
Enterprise, College of Busi-  
ness Administration, Uni-  
versity of Hawaii-Manoa.  
Managing director of  
Pacific Asian Center for  
Entrepreneurship and  
E-Business.



**Constance H. Lau**  
**Age 53**

President, chief executive  
officer and director of  
American Savings Bank,  
F.S.B. since June 2001.  
Chief operating officer and  
senior executive vice presi-  
dent of American Savings  
Bank, F.S.B. from Decem-  
ber 1999 to June 2001.

Director of Hawaiian  
Electric Industries Charita-  
ble Foundation, Maunalani  
Foundation, Consuelo  
Zobel Alger Foundation,  
and Alexander & Bald-  
win, Inc. Trustee, Punahou  
School and Kamehameha  
Schools. President, Hawaii  
Bankers Association.



**A. Maurice Myers**  
**Age 65**

**Director Since 1991**

Chairman, president and  
chief executive officer of  
Waste Management, Inc.  
(environmental services),  
Houston, Texas from  
November 1999 to Novem-  
ber 2004; now retired.

Director of Hawaiian  
Electric Co., Inc. and  
Tesoro Petroleum. Member,  
Oceanic CableVision Advi-  
sory Board. Chairman of  
the Board, Emeritus, Keep  
America Beautiful Inc.



**James K. Scott, Ed.D.**  
**Age 54**

**Director Since 1995**

President of Punahou  
School.

Director of Hawaiian  
Electric Company, Inc.,  
Pacific and Asian Affairs  
Council, Hawaii Public Tel-  
evision, and Hawaii Associ-  
ation of Independent  
Schools. President, Second-  
ary School Admission Test  
Board. Member, Hawaiian  
Educational Council and  
Young Presidents Organiza-  
tion. Trustee, Blood Bank  
of Hawaii.

**Continuing Class II directors whose terms expire at the 2007 Annual Meeting**



**Diane J. Plotts**  
Age 70  
Director Since 1987  
Business advisor since 2000.  
Director of Hawaiian  
Electric Company, Inc. and  
American Savings Bank,  
F.S.B. Trustee,  
Kamehameha Schools.



**Kelvin H. Taketa**  
Age 51  
Director Since 1993  
President and chief executive officer of the Hawaii Community Foundation.  
Director of Hawaiian Electric Company, Inc., Grove Farm Company, Inc., and Civic Ventures. President and director of Sunrise Capital, Inc.



**Jeffrey N. Watanabe**  
Age 63  
Director Since 1987  
Senior partner in the law firm of Watanabe Ing & Komeiji LLP.  
Director of Hawaiian Electric Company, Inc., American Savings Bank, F.S.B., Alexander and Baldwin, Inc., Cellular Bioengineering, Inc., First Insurance Company of Hawaii, Grace Pacific Corporation, LOEA Corporation, Matson Navigation Company, Inc., Oahu Publications, Inc., Tissue Genesis, Inc., and Trex Enterprises Corporation. Trustee, Sesame Workshop, The Nature Conservancy of Hawaii and Hawaii Community Foundation. Chair, The Consuelo Zobel Alger Foundation.



**Thomas B. Fargo**  
Age 57  
Director Since 2005  
Chairman, LOEA Corporation and SAGO Systems since April 2005 (high technology companies). President, Trex Enterprises Corporation (research and development for defense and homeland security). Commander, U.S. Pacific Command from May 2002 to February 2005. Commander-in-Chief of the Pacific Fleet from October 1999 to May 2002.  
Director of Hawaiian Electric Company, Inc., Hawaiian Holdings, Inc. and Japan-America Society of Hawaii. Member, board of governors of Iolani School. Trustee, Hawaii Pacific University.

Continuing Class III directors whose terms expire at the 2008 Annual Meeting



**Don E. Carroll**  
Age 64  
Director Since 1996

Chairman of Oceanic Cablevision from February 2001 to April 2005; now retired. Vice president of Time Warner Cable from 1985 to April 2005.

Director of American Savings Bank, F.S.B., Pacific Guardian Life, Island Insurance, American Red Cross-Hawaii Chapter, Executive Board of the Boy Scouts of America-Aloha Council, The 200 Club Advisory Board, and Hawaii Nature Center. Chairman, Broadband Interactive Television Board. Member, Oceanic CableVision Advisory Board and Finance Committee, Aloha United Way.



**Victor Hao Li, S.J.D.**  
Age 64  
Director Since 1988

Co-chairman, Asia Pacific Consulting Group. President, Li Xing Foundation. Chairman, Shanghai Li Xing School.

Director of American Saving Bank, F.S.B. Trustee, Japan-America Institute of Management Science.



**Bill D. Mills**  
Age 54  
Director Since 1988

Chairman of The Mills Group.

Director, Grace Pacific Corporation and Hawaii Public Television. Trustee, Hawaii Pacific University, St. Andrew's Priory, and The Nature Conservancy of Hawaii. Member, board of governors, Iolani School.



**Barry K. Taniguchi**  
Age 58  
Director Since 2004

President and chief executive officer of KTA Super Stores.

Director of Hawaiian Electric Company, Inc., American Savings Bank, F.S.B. and Hawaii Island Economic Development Board. Trustee, Hawaii Community Foundation, Public Schools of Hawaii Foundation, Tax Foundation of Hawaii, Hawaii Food Industry Association, and Lyman House Memorial Museum. Chairman, board of governors of Hawaii Employers Council.

## **Corporate Governance**

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### **What are the Company's governance policies and guidelines?**

In 2005, the Board of Directors and management continued to review and monitor corporate governance trends and best practices to comply with the New York Stock Exchange ("NYSE") Listed Company Manual relating to corporate governance and Securities and Exchange Commission regulations. As part of an annual review, the HEI Corporate Governance Guidelines, Revised Code of Conduct (which includes the code of ethics for the HEI chief executive officer, financial vice president and controller), charters for the Audit, Compensation, Executive, and Nominating and Corporate Governance Committees were reviewed and revised as appropriate by the HEI Board of Directors. These documents, as well as HEI's Insider Trading Policy, may be found on the Company's website at [www.hei.com](http://www.hei.com) and are available in print to any shareholder who requests them.

### **How does the Board select nominees for the Board?**

The Nominating and Corporate Governance Committee considers candidates for Board membership suggested by its members and other Board members, as well as management and shareholders. The Committee may retain a third-party search firm to help identify candidates from time to time.

Among the qualifications considered in the Committee's assessment of a proposed candidate are knowledge, experience, skills, expertise, diversity, personal and professional integrity, character, business judgment, time availability in light of other commitments, dedication, and absence of conflicts of interest. The Committee believes that the Board should reflect a diversity of experience, gender, ethnicity, and age. The Committee also considers other relevant factors as it deems appropriate including, but not limited to, current composition of the Board, balance of independent and nonindependent directors, and need for financial expertise.

Once potential candidates are identified, the Committee may review publicly available information to assess whether the candidate should be considered further. If the Committee determines that the candidate warrants further consideration, the Chairman or another member of the Committee will contact the person, and if the person indicates a willingness to be considered for service on the Board, the candidate will be asked to provide information such as accomplishments and qualifications and one or more interviews may be conducted. The Committee members may contact one or more references provided by the candidate or other members of the business community who may have greater first hand knowledge of the candidate's qualifications and accomplishments. The evaluation process does not vary based on whether or not a candidate is recommended by a shareholder.

### **How can shareholders communicate with the directors?**

Shareholders and all interested parties may contact (1) any member of the Board, including the Lead Director (nonemployee Chairman of the Board effective May 2, 2006) and an employee director or (2) just the nonemployee directors as a group, by mail. To communicate with the Board of Directors, any individual director or any group of directors, correspondence should be addressed to the Board of Directors or any such individual or group by either name or title. All such correspondence should be sent in care of the Corporate Secretary, Hawaiian Electric Industries, Inc., P. O. Box 730, Honolulu, HI 96808-0730. The mail will be forwarded, unopened, to the named individual director or, in the case of a group, to the Lead Director or the Chairman of the Board, effective May 2, 2006.



**How does the Board evaluate itself?**

Since 1996, the Board of Directors has followed an annual process of evaluating the operations and effectiveness of the Board as a whole as well as self-evaluations by individual directors up for election. In reviewing the Board as a whole, directors evaluate and comment on board structure, Board meetings (content, conduct, mechanics), Board responsibilities, performance of directors and relationship between the Board and management. Directors who are nominees for reelection evaluate their own individual meeting preparation, participation in Board meetings, contributions to the group, knowledge of the issues and concerns of the Company and understanding of the role of the Board in the governance of the Company. The Board and self-evaluation forms are submitted to the Nominating and Corporate Governance Committee for its review, after which the Committee recommends to the Board any procedures and practices to be adopted to improve the operations of the Board. The Chairman of the Nominating and Corporate Governance Committee may meet with individual directors to discuss their performance, as appropriate.

As required by the NYSE corporate governance listing standards, the Audit, Compensation and Nominating and Corporate Governance Committees developed a process for self-evaluation whereby committee members reviewed and evaluated their respective committee charters and committee meetings (content, conduct, and mechanics). The Audit Committee also reviewed and evaluated its duties and responsibilities, relationship with management and internal and external auditors, and the qualifications of its members.

**Who are the independent directors of the Board?**

For a director to be considered independent, the board must affirmatively determine that the director does not have any direct or indirect material relationship with the Company. The Board has established categorical standards to assist it in determining director independence. In addition to applying the standards, which are listed below, the Board considers all relevant facts and circumstances in making a determination of independence.

- A director who is an employee, or whose immediate family member is an executive officer, of the company is not "independent" until three years after the end of such employment relationship.
- A director who receives, or whose immediate family member receives, more than \$100,000 per year in direct compensation from the Company, other than director and committee fees and pension or other forms of deferred compensation for prior service (provided such compensation is not contingent in any way on continued service), is not independent until three years after he or she ceases to receive more than \$100,000 per year in such compensation.
- A director who is affiliated with or employed by, or whose immediate family member is affiliated with or employed in a professional capacity by, a present or former internal or external auditor of the company is not "independent" until three years after the end of the affiliation or the employment or auditing relationship.
- A director who is employed, or whose immediate family member is employed, as an executive officer of another company where any of the Company's present executives serve on that other company's compensation committee is not "independent" until three years after the end of such service or the employment relationship.

- A director who is an executive officer or an employee, or whose immediate family member is an executive officer, of a company that makes payments to, or receives payments from, the Company for property or services in an amount which, in any single fiscal year, exceeds the greater of \$1 million or 2% of such other company's consolidated gross revenues, is not "independent" until three years after falling below such threshold.
- A director or any member of the director's immediate family who serves as an officer, director or trustee of a charitable organization that receives from the Company or its charitable foundation contributions which, in any fiscal year, exceed the greater of \$1 million or 2% of such charitable organization's total annual charitable receipts is not "independent" until three years after falling below such threshold.

In its annual review of director independence, the board affirmatively determined that all directors of the Company are independent with the exception of Robert F. Clarke, an employee director.

In addition, the Board also determined that the Company did not make contributions to any tax exempt organization in which an independent director serves as an executive officer that exceeded the greater of \$1 million, or 2% of such tax exempt organization's consolidated gross revenues.

**What other Board practices does the Company have?**

The nonemployee directors meet regularly in executive sessions without management. In 2005, these sessions were chaired by the Lead Director, Bill D. Mills. Beginning in May 2006 these sessions will be chaired by Jeffrey N. Watanabe, who has been named Chairman of the Board, effective at the Annual Meeting.

Information, material related to issues to be considered at a Board or Committee meeting, and other material important to the directors' understanding of the business are distributed, to the extent practical, to the directors in advance of the meeting to allow for careful review prior to the meeting.

## **Board of Directors**

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### **How often did the Board of Directors meet in 2005?**

In 2005, there were six regular meetings of the Board of Directors. All directors attended at least 75% of the combined total meetings of the Board and Board committees on which they served (during the periods they served).

### **Did all directors attend last year's Annual Meeting?**

All the members of the Board of Directors attended the 2005 Annual Meeting of Shareholders. The Company has a policy of encouraging the directors to attend each year's Annual Meeting of Shareholders.

### **How are directors compensated?**

Only nonemployee directors are compensated for their service as directors. Director compensation beginning on April 1, 2005 is as follows:

#### **Stock Grant**

- A one-time grant of 2,000 shares of Common Stock to new directors.
- 1,400 shares of Common Stock are granted annually to directors for the purpose of further aligning directors' and shareholders' interests in improving stockholder value.

#### **Fiscal Year Board Retainer commencing April 1 each year (no meeting fees are paid)**

- \$32,500 paid in quarterly installments.
- Additional annual fees are paid in quarterly installments to directors as follows:

Lead Director .....	\$10,000
Audit Committee Chair .....	15,000
Compensation Committee Chair .....	5,000
Nominating and Corporate Governance Chair .....	5,000
Audit Committee Member .....	5,000

#### **Subsidiary Board Fees**

- Nonemployee directors of HEI who serve on the Board of Directors of Hawaiian Electric Company, Inc. ("HECO") or American Savings Bank, F.S.B. ("ASB") receive a fiscal year retainer of \$20,000 for each such Board position.
- Diane J. Plotts, who serves as chair of the ASB Audit Committee, and Barry K. Taniguchi, who serves as chair of the HECO Audit Committee, receive an additional \$10,000 annual fee for chairing each Audit Committee. An additional annual fee of \$4,000 is paid to Don E. Carroll and Jeffrey N. Watanabe for serving on the ASB Audit Committee and to Thomas B. Fargo and Diane J. Plotts for serving on the HECO Audit Committee.

**Do nonemployee directors receive a retirement benefit?**

At the meeting of the Board of Directors on December 17, 1996, the Board voted to terminate the Nonemployee Director Retirement Plan, which had been approved by the shareholders on April 17, 1990. Pursuant to the terms of the termination, the right of previously retired directors to receive benefits continues in accordance with the terms of the Plan as in effect at termination, and the present value of the accrued benefit of directors age 55 or younger or with 5 years of service or less as of April 22, 1997 has been paid out. The retirement benefit for all other directors who had been participating in the Plan (Mr. Myers and Ms. Plotts) was frozen as of December 31, 1996, and will be paid according to the terms of the Plan as in effect at termination. Accordingly, upon their retirement from service as a director, Mr. Myers and Ms. Plotts will each receive an annual payment of \$15,000 (their annual retainer in effect at December 31, 1996) for a period equal to the number of years of their active service through December 31, 1996 (7 years for Mr. Myers and 10 years for Ms. Plotts).

## Committees of the Board

What committees has the Board established and how often did they meet?

The Board of Directors has four standing committees: Audit, Compensation, Executive, and Nominating and Corporate Governance. The names of the current committee members are shown on the table below. In addition, the table below also shows the number of meetings held in 2005.

Name	Audit	Compensation	Executive	Nominating and Corporate Governance
Don E. Carroll		X		
Robert F. Clarke*			X	
Shirley J. Daniel	X			
Thomas B. Fargo	X			
Victor Hao Li		X		
Bill D. Mills		X**	X**	X
A. Maurice Myers		X		
Diane J. Plotts	X**	X	X	
James K. Scott	X***			X***
Kelvin H. Taketa				X**
Barry K. Taniguchi	X			
Jeffrey N. Watanabe				X
Number of Meetings in 2005	8	3	0	1

\* Employee director

\*\* Committee chair

\*\*\* Effective March 7, 2006

What are the primary functions of each of the four committees?

- Audit Committee

The Audit Committee operates and acts under a written charter, which was adopted and approved by the HEI Board of Directors. The Committee provides independent and objective oversight of the Company's (1) financial reporting processes, (2) audits of the financial statements, including appointment, compensation and oversight of the external auditor, (3) internal controls, and (4) risk assessment and risk management policies set by management. The Committee also reviews and approves related party transactions and reviews and resolves complaints from any employee regarding accounting, internal controls or auditing matters. All members of the Committee are independent directors as independence for audit committee members is defined in the listing standards of the NYSE and none of them are members of audit committees of other publicly traded companies. See pages 35 and 36 for the Audit Committee Report.

- **Compensation Committee**

The Compensation Committee operates and acts under a written charter, which was adopted and approved by the HEI Board of Directors. The Committee oversees the Company's compensation and employee benefit plans and its incentive compensation and equity based plans. All members of the Committee are independent directors as defined in the listing standards of the NYSE. The Compensation Committee meets in executive session to set the compensation level of the Chief Executive Officer ("CEO") after receiving input on the CEO's performance from all the nonemployee directors meeting in executive session. The Committee then sets the compensation level of the CEO. See pages 28 to 33 for the Compensation Committee Report on Executive Compensation.

- **Executive Committee**

The Executive Committee operates and acts under a written charter, which was adopted and approved by the HEI Board of Directors, and is authorized to act on matters brought before it when a meeting of the full Board is impractical. It may also consider any other matter concerning the Company that may arise from time to time. The Committee is comprised of the Lead Director, the CEO and one other independent director. Beginning in May 2006, the Committee will be comprised of the Chairman of the Board, the CEO and one other independent director.

- **Nominating and Corporate Governance Committee**

The Nominating and Corporate Governance Committee operates and acts under a written charter, which was adopted and approved by the HEI Board of Directors. All members of the Committee are independent directors as defined in the listing standards of the NYSE. Its functions include (1) reviewing the background and qualifications of potential nominees for the board of directors of HEI and its subsidiary companies presented by shareholders, directors and management, (2) recommending to the Board the slate of nominees to be submitted to the shareholders for election at the next Annual Meeting, (3) advising the Board with respect to matters of Board composition and procedures, (4) overseeing the annual evaluation of the Board, (5) reviewing nonemployee director compensation and (6) overseeing corporate governance matters generally.

See the section on Corporate Governance for a discussion concerning the involvement of this Committee on matters relating to corporate governance.

## Stock Ownership Information

How much stock do the Company's directors and executive officers own?

The following table shows how many shares of Common Stock were owned as of February 23, 2006 by each director, Named Executive Officer (as listed in the Summary Compensation Table on page 20) and by all directors and executive officers as a group.

Amount of Common Stock and Nature of Beneficial Ownership

Name of Individual or Group	Sole Voting or Investment Power	Shared Voting or Investment Power(1)	Other Beneficial Ownership(2)	Stock Options/ Stock Appreciation Rights(3)	Total
<b>Nonemployee directors</b>					
Don E. Carroll	10,985				10,985
Shirley J. Daniel	6,659				6,659
Thomas B. Fargo	3,519				3,519
Victor Hao Li	1,026	11,204	917		13,147
Bill D. Mills	22,700		10		22,710
A. Maurice Myers	26,016	3,689			29,705
Diane J. Plotts	11,380				11,380
James K. Scott	12,275				12,275
Kelvin H. Taketa	10,021				10,021
Barry K. Taniguchi		11,255			11,255
Jeffrey N. Watanabe	14,875		4		14,879
<b>Employee director and Named Executive Officer</b>					
Robert F. Clarke	42,082	53,746	4,056	205,364	305,248
<b>Other Named Executive Officers</b>					
Constance H. Lau	55,391		7,656	267,576	330,623
T. Michael May	42,379			151,454	193,833
Patricia U. Wong	3,921			1,161	5,082
Eric K. Yeaman	14,352			18,175	32,527
<b>All directors and executive officers as a group (19 persons)</b>	<b>304,676</b>	<b>68,690</b>	<b>23,847</b>	<b>733,099</b>	<b>1,130,312(4)</b>

- (1) Shares registered in name of the individual and spouse.
- (2) Shares owned by spouse, children or other relatives sharing the home of the director or officer in which the director or officer disclaims personal interest.
- (3) Stock options/stock appreciation rights, including accompanying dividend equivalent shares, exercisable within 60 days after February 23, 2006 (record date), under the 1987 Stock Option and Incentive Plan.
- (4) As of March 1, 2006, the directors and executive officers of HEI as a group beneficially owned 1.4% of outstanding Common Stock and no director or officer owned more than 0.4% of such stock.

Does the Company have stock ownership guidelines for directors and officers?

In 2003, the Board adopted stock ownership guidelines for HEI officers and directors. Each officer and director named in the guidelines, which went into effect on January 1, 2004, has five years to

achieve the level of stock ownership set forth in the guidelines. The targets are as follows: 1) President and CEO of the Company — 2.5 times base salary, 2) executive officers of the Company and subsidiary operating company presidents — 1.5 times base salary, and 3) members of the Board of Directors of the Company — 5 times annual cash payouts. Stock ownership will be measured on January 1 of each year based on the average price of stock for the previous calendar year. The directors and officers have until January 1, 2009 to meet the current guidelines, except for Mr. Taniguchi, Admiral Fargo, and Ms. Wong who have until January 1, 2010 to meet the guidelines.

**Does anyone own more than 5% of the Company's stock?**

No person is known to the Company to be the beneficial owner of more than 5% of outstanding Common Stock.

**Were Section 16(a) beneficial ownership reporting forms filed with the SEC?**

Based on a review of forms filed by its reporting persons during the last fiscal year, the Company believes that they complied with the reporting requirements of Section 16(a) of the Securities Exchange Act of 1934.

### Executive Compensation

#### Summary Compensation Table

The following summary compensation table shows the annual and long-term compensation of the chief executive officer and the four other most highly compensated executive officers of the Company and its subsidiaries serving during 2005 (collectively referred to as the "Named Executive Officers").

SUMMARY COMPENSATION TABLE

Name and Principal Position	Year	Annual Compensation			Long-Term Compensation			All Other Compensation(8) (\$)
		Salary (\$)	Bonus(2) (\$)	Other Annual Compensation(3) (\$)	Awards(4)		Payouts	
					Restricted Stock Award(5) (\$)	Securities Underlying Options/SARs(6) (#)	LTIP Payouts(7) (\$)	
Robert F. Clarke Chairman, President & CEO	2005	747,000	830,008	-0-	-0-	150,000	-0-	20,870
	2004	713,000	1,022,000	7,349	-0-	135,000	420,000	17,463
	2003	681,000	610,107	-0-	-0-	100,000	548,463	14,898
Constance H. Lau President & CEO, American Savings Bank, F.S.B.	2005	562,000	678,818	-0-	-0-	50,000	437,772	N/A
	2004	538,000	751,400	-0-	-0-	50,000	388,260	N/A
	2003	517,000	579,177	-0-	-0-	50,000	228,260	N/A
T. Michael May President & CEO, Hawaiian Electric Company, Inc.	2005	553,000	-0-	-0-	-0-	50,000	-0-	10,311
	2004	533,000	345,678	-0-	-0-	50,000	126,000	9,300
	2003	513,000	294,012	-0-	-0-	50,000	154,368	8,208
Eric K. Yeaman(1) Financial Vice President, Treasurer and Chief Financial Officer	2005	364,000	216,944	-0-	-0-	30,000	-0-	1,187
	2004	348,000	377,658	-0-	-0-	30,000	116,800	1,114
	2003	293,000	174,172	-0-	206,450	20,000	71,556	911
Patricia U. Wong(9) Vice President — Administration and Corporate Secretary	2005	231,000	154,613	-0-	-0-	24,000	-0-	1,514
	2004	163,000	23,979	-0-	-0-	-0-	NA	993
	2003	154,000	34,606	-0-	-0-	4,000	NA	867

NA Not Applicable (not a participant in the plan).

(1) Eric K. Yeaman became Financial Vice President, Treasurer and Chief Financial Officer effective January 15, 2003.



- (2) The Named Executive Officers are eligible for an incentive award under the Company's annual Executive Incentive Compensation Plan ("EICP"). EICP bonus payouts are reflected as compensation for the year earned. Also includes special award in 2004 of \$60,000 for Mr. Yeaman.
- (3) Amount attributable to the reimbursement of taxes payable on the Company's payment of country club initiation fees.
- (4) All awards and per share amounts prior to June 10, 2004 adjusted for 2 for 1 stock split in 2004.
- (5) On August 11, 2003, 10,000 shares of restricted stock were granted to Mr. Yeaman. On the date of the grant, the closing price of HEI Common Stock was \$20.65 on the New York Stock Exchange. Quarterly dividends on the 10,000 shares of restricted stock are paid to Mr. Yeaman. The 10,000 shares of restricted stock become unrestricted on August 11, 2006. On December 31, 2005, the restricted stock value was \$259,000 based on the closing price of HEI Common Stock of \$25.90 on the New York Stock Exchange.
- (6) Options and stock appreciation rights (SARs) granted earn dividend equivalents as further described below under the headings "Stock Appreciation Rights Grants in Last Fiscal Year", and "Aggregated SAR/Option Exercises and Fiscal Year-End SAR/Option Values."
- (7) Long-Term Incentive Plan ("LTIP") payouts are determined in the first quarter of each year for the three-year cycle ending on December 31 of the previous calendar year.
- (8) Represents amounts attributable each year by the Company for certain preretirement death benefits provided to the Named Executive Officers, except Ms. Lau. See the Compensation Committee Report on page 33 under the heading "Other Compensation Plans" for a discussion of the preretirement death benefits.
- (9) Patricia U. Wong became Vice President — Administration and Corporate Secretary effective April 26, 2005. In 2004 and 2003 she was HECO, Vice President of Corporate Excellence.

#### Stock Appreciation Rights Grants in Last Fiscal Year

The following table presents information on the SARs which were granted to the five Named Executive Officers during 2005 (on April 7, 2005). The practice of granting stock options, which include dividend equivalent shares, was followed each year from 1987 to 2003. The practice of granting SARs, which include dividend equivalent shares, has been followed each year since 2004.

#### STOCK APPRECIATION RIGHTS GRANTS IN LAST FISCAL YEAR

Name	Number of Securities Underlying SARs Granted(1) (#)	Percent of Total SARs Granted to Employees in Fiscal Year	Exercise Price (\$/share)	Expiration Date	Grant Date Present Value(2) (\$)
Robert F. Clarke .....	150,000	27%	\$26.18	April 7, 2015	\$873,000
Constance H. Lau .....	50,000	9	26.18	April 7, 2015	291,000
T. Michael May .....	50,000	9	26.18	April 7, 2015	291,000
Eric K. Yeaman .....	30,000	5	26.18	April 7, 2015	174,600
Patricia U. Wong .....	24,000	4	26.18	April 7, 2015	139,680

- (1) These SARs vest at the end of four years (cliff vesting). Additional dividend equivalent shares are granted at no additional cost to the recipient throughout the four-year vesting period. Dividend

equivalents are computed, as of each dividend record date, both with respect to the number of shares under the SARs and with respect to the number of dividend equivalent shares previously credited to the Named Executive Officer and not issued during the period prior to the dividend record date. Accelerated vesting is provided in the event of a change-in-control or upon retirement.

- (2) Based on a Binomial Option Pricing Model, which is a variation of the Black-Scholes Option Pricing Model calculated by the HEI Compensation Committee's independent compensation consulting firm. The Binomial Value is \$5.82 per share. The following assumptions were used in the model: Stock Price: \$26.18; Term: 10 years; Expected life: 4.5 years; Volatility: 18.1%; Risk-Free Interest Rate: 4.1%; and Dividend Yield: 5.9%. The following were the valuation results: Binomial SARs Value: \$2.83; Dividend Credit Value: \$2.99; and Total Value: \$5.82.

In calculating the grant date present values set forth in the table, the volatility and dividend yield were based on the daily closing stock prices and dividends for the four and a half year period preceding the grant date. The risk-free interest rate was fixed on the date of grant at the rate of return on a stripped U.S. Treasury bill with a term to maturity approximately equal to the SARs expected life. Dividend equivalents are payable in the form of stock on the SARs for a period of four years. The value of the dividend equivalents was determined on the basis of the dividend yield, using the daily closing stock prices and dividends for the four and a half year period preceding the grant date. The use of different assumptions can produce significantly different estimates of the present value of SARs. Consequently, the grant date present value set forth in the table is only theoretical and may not accurately represent present value. The actual value, if any, a recipient will realize will depend on the excess of the market value of the HEI Common Stock over the exercise price on the date the SAR is exercised, plus the value of the dividend equivalents.

In December 2005, to accommodate changes to the tax rules imposed by the new Section 409A of the Internal Revenue Code of 1986, as amended (Section 409A), the Company modified the provisions for paying dividend equivalents on shares underlying nonqualified stock options and SARs that were vested on December 31, 2004, and the Company similarly modified provisions for paying dividend equivalents on dividends declared after 2004. Before modification, dividend equivalents were paid when and to the extent that the employee exercised the nonqualified stock option/SARs. In order to comply with Section 409A, any vested dividend equivalent subject to the modification will be paid not later than 2½ months after the year in which the underlying dividend equivalent is declared (without regard to whether the underlying nonqualified stock option/SAR is exercised). The amount of such dividend equivalent payment generally is reduced if, as of December 31 for the year the payment is made, the per share exercise price of the underlying nonqualified stock option/SAR exceeds the fair market value per share of the underlying common stock.

The Section 409A modification increased the fair value of the 2005 SARs by \$0.12 per underlying share (at modification date).

#### **Aggregated SAR/Option Exercises and Fiscal Year-End SAR/Option Values**

The following table shows the stock options, including dividend equivalents, exercised by the Named Executive Officers in 2005. Also shown is the number of securities underlying unexercised SARs/options and the value of unexercised in the money SARs/options, including dividend equivalents,

at the end of 2005. HEI granted dividend equivalents to all Named Executive Officers as part of the SAR or stock option grants.

Dividend equivalents permit a participant who exercises a SAR or stock option to obtain, at no additional cost, the amount of dividends declared between the grant and the exercise of the SAR or option during the vesting period, except for dividend equivalents modified for Section 409A, which do not require exercise and will be paid as described above. Dividend equivalents are computed as of each dividend record date throughout the four-year vesting period both with respect to the number of shares under the SAR or option and the number of dividend equivalent shares previously credited to the Named Executive Officer, which have not been exercised/issued during the period prior to the dividend record date.

**AGGREGATED SAR/OPTION EXERCISES IN LAST FISCAL YEAR AND  
FISCAL YEAR-END SAR/OPTION VALUES**

Name	Shares Acquired On Exercise (#)	Dividend Equivalents Acquired On Exercise (#)	Value Realized On Options (\$)	Value Realized On Dividend Equivalents (\$)	Number of Securities Underlying Unexercised SARs/ Options (Including Dividend Equivalents) at Fiscal Year-End	Value of Unexercised In the Money SARs/ Options (Including Dividend Equivalents) at Fiscal Year-End(1)
					Exercisable/ Unexercisable (#)	Exercisable/ Unexercisable (\$)
Robert F. Clarke . . .	100,000	24,909	653,200	625,625	185,186/353,155	1,267,645/1,018,697
Constance H. Lau . .	10,000	3,150	60,750	83,708	253,927/136,421	2,736,970/ 465,307
T. Michael May . . .	—	—	—	—	137,805/136,421	1,200,255/ 465,307
Eric K. Yeaman . . .	—	—	—	—	19,626/ 67,000	108,274/ 159,540
Patricia U. Wong . .	6,000	1,293	42,820	33,391	—/ 27,162	—/ 34,191

- (1) All grants were in the money (where the SAR/option price is less than the closing price on December 31, 2005) except the 2004 SAR grant at \$26.02 and the 2005 SAR grant at \$26.18. Values based on the closing price of \$25.90 per share on the New York Stock Exchange on December 31, 2005. The 2004 and 2005 SAR grants were included in the table because the related dividend equivalents provided value exceeding the exercise price.

**Long-Term Incentive Plan (LTIP) Awards**

The table on page 25 lists the LTIP awards made to the Named Executive Officers during 2005. The table shows potential payments that are tied to performance over a three-year period (2005-2007) relating to two separate HEI goals for all the Named Executive Officers except Mr. May (who has a third goal in addition to the two HEI goals listed immediately below) and Ms. Lau (who has four separate goals that are unique to her).

The two separate HEI goals are (1) return on average common equity for HEI (weighted 60%), and (2) total return to HEI shareholders (weighted 40%). The weighting of each goal applies to all the Named Executive Officers except Mr. May and Ms. Lau. The Company's performance for the return on average common equity goal is based on an internal goal. The Company's performance for the total return to shareholders goal is measured against the Edison Electric Institute ("EEI") Index of Investor-Owned Electric Companies ("Peer Group") for the three-year period ending December 31, 2007. This is the same Peer Group used for the Shareholder Performance Graph shown on page 34. However, the

performance of the LTIP Peer Group is calculated on a noncapitalized weighted basis whereas the Shareholder Performance Graph Peer Group is calculated on a capitalized weighted basis. The LTIP uses a noncapitalized weighted basis so as not to give a disproportionate emphasis to the larger companies in the Peer Group. For Mr. May, the two goals set forth above are (1) return on average common equity (weighted 30%), and (2) total return to shareholders (weighted 20%). Mr. May's third goal (weighted 50%) is based on a prorated percent of allowed return on average common equity for Hawaiian Electric Company, Inc. and subsidiaries ("consolidated HECO") for the same three-year LTIP cycle. Ms. Lau's four goals for the 2005-2007 LTIP cycle are (1) return on average common equity for American Savings Bank F.S.B. ("ASB") (weighted 40%), (2) ASB net income (weighted 40%), (3) ASB fee income (weighted 10%) and (4) ASB efficiency ratio (weighted 10%).

The threshold for minimum awards under the 2005-2007 LTIP with respect to the return on average common equity goal for the Company is 10.54%. The threshold minimum award with respect to the total return to shareholders goal will be earned if the Company's performance is at the 30th percentile of the Peer Group. Mr. May's threshold minimum for his third goal, which must be achieved in at least two out of three years during the LTIP cycle, is a prorated percent of allowed return on average common equity for consolidated HECO of 90%. Ms. Lau's threshold minimums for her four ASB goals are: (1) a return on average common equity of 10.49%, (2) achieve at least two out of three years during the LTIP cycle average net income of \$62 million, (3) achieve in at least two out of three years during the LTIP cycle average fee income of \$45.45 million and (4) achieve at the end of the third year efficiency ratio of 59.62%.

Maximum awards with respect to the Company's return on average common equity goal will be earned if the Company's return on average common equity is 11.75%. Maximum awards with respect to the Company's total return to shareholders will be earned if the Company's performance is measured at the 70th percentile of the Peer Group. For Mr. May, the maximum award on his third goal will be earned if the prorated percent of allowed return on average common equity for consolidated HECO equals 100%. For Ms. Lau, the maximum award for her four ASB goals will be earned based on: (1) a return on average common equity of 13.04%, (2) average net income of \$77 million, (3) average fee income of \$52.27 million and (4) efficiency ratio of 55.15%, which must be achieved at the end of the third year. Earned awards are distributed in the form of 60% cash and 40% Common Stock with the maximum award level for each Named Executive Officer ranging from 120% to 160% of the midpoint of the officer's salary grade range at the end of the three-year performance period.

LONG-TERM INCENTIVE PLAN — AWARDS IN LAST FISCAL YEAR

Name	Three-Year Performance Cycle Ending Date	Estimated Future Payouts		
		Minimum Threshold(1) (\$)	Target (\$)	Maximum (\$)
Robert F. Clarke(2) .....	12/31/07	\$301,600	\$603,200	\$1,206,400
Constance H. Lau .....	12/31/07	233,250	466,500	933,000
T. Michael May .....	12/31/07	211,875	423,750	847,500
Eric K. Yeaman .....	12/31/07	117,900	235,800	471,600
Patricia U. Wong .....	12/31/07	97,200	194,400	388,800

- (1) Assumes meeting minimum threshold on all goals; however, if only one goal (weighted 40%) is met, the minimum threshold estimated future payout would be: Mr. Clarke — \$120,640; Mr. Yeaman — \$47,160; and Ms. Wong — \$38,880. For Mr. May, if only one goal (weighted 20%) is met, the minimum threshold estimated future payout would be \$42,375. For Ms. Lau, if only one goal (weighted 10%) is met, the minimum threshold estimated future payout would be \$23,325. There is no LTIP payout unless the minimum threshold is met on at least one of the goals.
- (2) If there is a payout under the 2005-2007 LTIP, Mr. Clarke will only be eligible to receive a pro-rated award since he will have been an active employee for 17 months of the 36-month period.

Equity Compensation Plan Information

Information as of December 31, 2005 about HEI Common Stock that may be issued upon the exercise of awards granted under all of the Company's equity compensation plans was as follows:

Plan category	(a) Number of securities to be issued upon exercise of outstanding options, warrants and rights(1)	(b) Weighted-average exercise price of outstanding options, warrants and rights	(c) Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column(a))(2)
Equity compensation plans approved by shareholders . . . .	1,153,235	\$22.92	4,305,181
Equity compensation plans not approved by shareholders . . . .	—	—	—
Total . . . . .	<u>1,153,235</u>	<u>\$22.92</u>	<u>4,305,181</u>

- (1) Includes 929,000 of outstanding stock option and 187,209 of dividend equivalent shares accrued as of December 31, 2005 for such options. Also includes the 47,957 of dividend equivalent rights accrued as of December 31, 2005 for SARs, net of the 10,931 of outstanding converted SARs which are not in the money (i.e., the market price of common share as of December 31, 2005 is higher than the grant price).
- (2) This represents the number of shares remaining available as of December 31, 2005, including 4,281,903 under the 1987 Stock Option and Incentive Plan of HEI as amended and restated effective April 20, 2004 and 23,278 under the HEI Nonemployee Director Plan. All of the shares remaining available for issuance under the HEI Nonemployee Director Plan may be issued in the form of unrestricted Common Stock. Of the shares remaining available for issuance under the 1987 Stock Option and Incentive Plan of HEI, as amended and restated effective April 20, 2004, 422,000 shares may be issued in the form of restricted stock, stock payments, or stock-settled restricted stock units (i.e., other than in the form of options, warrants or rights).

### Pension Plans

All regular employees (including the Named Executive Officers) are covered by noncontributory, qualified defined benefit pension plans. The plans provide retirement benefits at normal retirement (age 65), reduced early retirement benefits and death benefits. The Named Executive Officers except Ms. Lau participate in the Retirement Plan for Employees of HEI and Participating Subsidiaries ("HEI Plan"). Ms. Lau participated in the HEI Plan while employed by HECO and HEI and is currently a participant in the American Savings Bank Retirement Plan ("ASB Plan"). Mr. Clarke and Mr. May also participate in the HEI Supplemental Executive Retirement Plan ("HEI SERP") and Ms. Lau also participates in the ASB Supplemental Retirement, Disability, and Death Benefit Plan ("ASB SERP") (see pages 27 and 28).

In December 2005 Mr. Yeaman was added as a participant to the HEI SERP effective April 1, 2006 or such later date when the plan is formally amended to comply with the requirements of IRC Section 409A.

Some of the Named Executive Officers are affected by Internal Revenue Code ("IRC") limitations on qualified plan benefits. They are, therefore, also covered under the HEI Excess Benefit Plan ("Excess Plan") and the HEI Excess Pay Supplemental Executive Retirement Plan ("Excess Pay SERP"), which are noncontributory, nonqualified plans.

The following table shows estimated annual pension benefits payable at retirement under the HEI Plan, Excess Plan and Excess Pay SERP based on base salary that is covered under the three plans and years of service with the Company and other participating subsidiaries.

PENSION PLAN TABLE

Remuneration	Years of Service						
	5	10	15	20	25	30	35
\$250,000	25,500	51,000	76,500	102,000	127,500	153,000	167,500
300,000	30,600	61,200	91,800	122,400	153,000	183,600	201,000
350,000	35,700	71,400	107,100	142,800	178,500	214,200	234,500
400,000	40,800	81,600	122,400	163,200	204,000	244,800	268,000
450,000	45,900	91,800	137,700	183,600	229,500	275,400	301,500
500,000	51,000	102,000	153,000	204,000	255,000	306,000	335,000
550,000	56,100	112,200	168,300	224,400	280,500	336,600	368,500
600,000	61,200	122,400	183,600	244,800	306,000	367,200	402,000
650,000	66,300	132,600	198,900	265,200	331,500	397,800	435,500
700,000	71,400	142,800	214,200	285,600	357,000	428,400	469,000
750,000	76,500	153,000	229,500	306,000	382,500	459,000	502,500
800,000	81,600	163,200	244,800	326,400	408,000	489,600	536,000

The HEI Plan provides a monthly retirement pension for life. Benefits are determined by multiplying years of credited service and 2.04% (not to exceed 67%) times the participant's Final Average Compensation (average base salary as shown for the Named Executive Officers in the Summary Compensation Table for any consecutive 36 months out of the last 10 years that produces the highest monthly average) without any offset for social security. As of December 31, 2005, the Named Executive Officers had the following number of years of credited service under the HEI Plan: Mr. Clarke, 18 years; Mr. May, 13 years; Ms. Lau, 15 years; Mr. Yeaman, 3 years; and Ms. Wong, 15 years.

Benefits under the ASB Plan are determined by multiplying years of credited service (not to exceed 35 years) and 1.5% times the participant's Final Average Compensation (average compensation as shown for Ms. Lau in the Summary Compensation Table for the highest five of the last ten years of credited service) without any offset for social security. As of December 31, 2005, Ms. Lau had six years of credited service under the ASB Plan.

Section 415 of the IRC limits the retirement benefit that a participant can receive from qualified retirement plans such as the HEI Plan and ASB Plan. The limit for 2005 was \$170,000 (\$175,000 for 2006) per year at age 65. The Company adopted the Excess Plan to provide benefits that cannot be paid from the qualified plans due to this maximum limit, based on the same formula as the qualified plans.

IRC Section 401(a)(17) limits a participant's compensation that can be recognized under qualified retirement plans. The limit on the maximum compensation for 2005 under IRC Section 401(a)(17) was \$210,000 (\$220,000 for 2006). The Company adopted the Excess Pay SERP to provide benefits that cannot be paid from the qualified plans due to the maximum compensation limit under IRC Section 401(a)(17), based on the same formula as the qualified plans.

The Company also maintains two supplemental executive retirement plans ("HEI SERP" and "ASB SERP") for certain executive officers. Mr. Clarke and Mr. May participate in the HEI SERP and Ms. Lau participates in the ASB SERP. Mr. Yeaman will participate in the HEI SERP effective the later of April 1, 2006 or the date the plan is amended for IRC Section 409A. Benefits under the HEI SERP and ASB SERP are in addition to qualified retirement benefits payable from the HEI Plan, the ASB Plan and Social Security.

Under the HEI SERP, the executive is eligible to receive, at age 60, a benefit of up to 60% (depending on years of credited service) of the participant's average compensation, which includes amounts received under the annual EICP in the highest three out of the last five years of service. The benefit payable under the HEI SERP is reduced by the participant's primary Social Security benefit and the benefit payable from the HEI Plan, but in no event is it less than the benefit that would be payable under the HEI Plan before any IRC Sections 415 and 401(a)(17) reductions. The HEI SERP provides for reduced early retirement benefits at age 50 with 15 years of service or age 55 with five years of service, and survivor benefits in the form of an annuity in the event of the participant's death after becoming eligible for early retirement. Based on Mr. Clarke's announced retirement date of May 31, 2006, the overall total retirement benefits payable to Mr. Clarke in the form of a straight life annuity at age 63 is \$603,011, based on his current compensation level (\$92,608 from the HEI Plan, \$510,403 from the HEI SERP, and no amount owing from the Excess Pay SERP or the Excess Plan). The overall benefits payable to Mr. May in the form of a straight life annuity projected to age 65 is \$288,226, based on his current compensation level (\$86,137 from the HEI Plan, \$65,288 attributed to the HEI SERP, \$136,801 calculated under the Excess Pay SERP and no amount owing from the Excess Plan).

The ASB SERP provides a benefit at age 65 of up to 60% (depending upon years of service) of the participant's average compensation (including 50% of the amounts received under the annual EICP) in the highest five consecutive years out of the last ten years of service, reduced by the participant's primary Social Security benefit and the benefit payable from the ASB and HEI Plans, but in no event is it less than the benefit that would be payable under the ASB Plan before any IRC Sections 415 and 401(a)(17) reductions. The ASB SERP also provides for termination and survivor benefits in certain circumstances. The overall total retirement benefits payable to Ms. Lau in the form of a straight life annuity projected to age 65 is \$530,573, based on her current compensation level

(\$54,600 from the ASB Plan, \$64,974 from the HEI Plan, \$410,999 calculated under the HEI Excess Pay SERP and no amounts owing under the Excess Plan or the ASB SERP).

#### **Change-in-Control Agreements**

Since 1989, the Company has entered into change-in-control agreements with certain executives, including the Named Executive Officers listed in the Summary Compensation Table, to encourage and ensure their continued attention and dedication to the performance of their assigned duties without distraction in the event of potentially disruptive circumstances arising from a change-in-control of the Company.

Each agreement provides that benefits, compensation and position responsibility of these officers will remain at existing levels for a period of two years following a "change-in-control," unless the "Expiration Date" of the agreement has occurred. A "Change-in-Control" is defined to include a change-in-control required to be reported under the proxy rules in effect on the date of the agreements, the acquisition by a person (as defined under the Securities Exchange Act of 1934) of 25% or more of the voting securities of the Company, or specified changes in the composition of the Board of Directors of the Company following a merger, tender offer or certain other corporate transactions. "Expiration Date" is defined as the earliest to occur of the following:

- (1) two years after a change-in-control;
- (2) termination of the executive's employment by the Company for "Cause" (as defined in the agreement) or by the executive other than for "Good Reason" (as defined in the agreement);
- (3) retirement; or
- (4) termination of the agreement by the Company's Board of Directors, or termination of the executive's employment prior to a change-in-control.

If the employment of one of these executives is terminated after a change-in-control and prior to the expiration date, the Company is obligated to provide a lump sum severance equal to 2.99 times the executive's average W-2 earnings for the last five years (or such lesser period that the executive has been employed by the Company), subject to certain limitations. In the event of a change-in-control, all outstanding stock options/SARs would be accelerated and become immediately exercisable.

### **Compensation Committee Report on Executive Compensation**

#### ***Introduction***

The Compensation Committee of the Board, which is composed entirely of nonemployee, independent directors, makes decisions on executive compensation. The full Board ratifies decisions by the Committee.

The Committee has retained the services of an independent compensation consulting firm to assist the Committee in executive compensation matters.

#### ***Executive Compensation Philosophy***

The Committee applies the following principles for the executive compensation program:

- maintains a compensation program that is fair in a competitive marketplace;
- provides compensation opportunities that relate pay with the Company's annual and long-term performance goals which support growth in shareholder value;
- recognizes and rewards individual initiative and achievements; and



- allows the Company to attract, retain, and motivate qualified executives who are critical to the Company's success.

The Committee believes that stock ownership by management is beneficial in aligning management's and shareholders' interests in improving shareholder value. It therefore uses stock options/SARs and stock payouts in the compensation program for the executive officers with a goal of increasing their stock ownership over time. In September 2003, the Board approved mandatory stock ownership guidelines for the Named Executive Officers and the Board.

#### *Executive Compensation Program*

The Company's executive compensation program includes:

- base salary;
- potential for an annual bonus based on overall Company financial and operational performance as well as individual performance; and
- the opportunity to earn long-term cash and stock-based incentives which are intended to encourage the achievement of superior results over time and to align executive officer and shareholder interests.

The second and third elements constitute the "at-risk" portion of the compensation program and are designed to link the interests of the executive with those of the shareholders. This means that total compensation for each executive may change significantly from year to year depending on the short- and long-term performance of the Company and its subsidiaries.

#### *Base Salary*

The Committee reviews salaries for executive officers in April of each year in consultation with the Committee's independent compensation consultant. The consultant examines the position and responsibilities of each officer at HEI and its subsidiaries against similar positions in similar organizations. Base salary references in those surveys represent the fiftieth percentile or midpoint of pay practices found in similar organizations.

Salaries for executive officers of the various HEI companies are based on competitive references drawn from compensation surveys and are weighted as follows:

- holding company — other electric utilities (25%), other financial institutions (25%), and general industry (50%)
- electric utilities — other electric utilities (100%)
- financial institution — other financial institutions (100%)

Based on the information from these surveys, the consultant recommends a salary range for each executive officer position. As noted, the midpoint of the range approximates the fiftieth percentile of the survey data and the range has a spread of plus and minus 20% around this midpoint.

Mr. Clarke's base salary is determined through the Committee and the Board's overall evaluation of his performance during the preceding year. This evaluation is subjective in nature and takes into account all aspects of his responsibilities at the discretion of the Committee. Based on the survey data provided by the consultant, the resulting salary range recommendation, and the Committee and the Board's overall evaluation of Mr. Clarke's performance during 2004, Mr. Clarke's base salary was increased from an annual rate of \$725,000 to an annual rate of \$757,600, effective May 1, 2005. The

other Named Executive Officers also received salary increases ranging from 3.0% to 5.1%, based on Mr. Clarke's recommendation and the Committee's approval.

In May 2006, Mr. Clarke will retire after 19 years of service to HEI from his current position as Chairman, President and Chief Executive Officer of HEI. Ms. Lau will succeed Mr. Clarke on May 2, 2006, as HEI President and Chief Executive Officer, as well as Chairman of HECO. Ms. Lau will also retain her position as President and Chief Executive Officer of ASB and will add the title of Chairman of ASB's board. She will also be nominated to be elected a director of HEI. The Committee will determine what changes in compensation are appropriate in light of these changed responsibilities.

*Annual Executive Incentive Compensation Plan*

Under the Executive Incentive Compensation Plan ("EICP"), annual incentive awards are granted upon the achievement of financial and nonfinancial performance measures established by the Committee in the early part of each calendar year. The measures are stated in terms of minimum, target and maximum goals. These measures, which may differ for individual Named Executive Officers, may include:

- earnings per share;
- company (subsidiary) net income;
- total return to shareholders measured against the Edison Electric Institute (EEI) Index of Investor-Owned Electric Companies (Peer Group) for the same period;
- company specific financial, operational and strategic goals; and
- individual officer's performance.

In February 2006, the Committee established the 2006 Executive Incentive Compensation Plan (EICP) financial and other operational measures for the Named Executive Officers. Mr. Clarke, who has announced his retirement effective May 31, 2006 will not have the requisite service to participate in the 2006 EICP. Mr. Yeaman has an earnings per share goal (weighted 50%), a total return to shareholders goal (weighted 25%) and one operational goal (weighted 25%). Ms. Wong has an earnings per share goal (weighted 50%), a total return to shareholders goal (weighted 25%) and one operational goal (weighted 25%). Mr. May has a consolidated utility net income goal (weighted 45%), a consolidated utility capital expenditures goal (weighted 10%) and five utility operational goals (weighted a total of 45%). Ms. Lau has an ASB net income goal (weighted 35%), an ASB return on assets goal (weighted 35%) and one operational goal (weighted 30%).

The EICP has a minimum financial performance threshold linked to earnings per share or net income (based on whether the measurement is at the Company or subsidiary level) which must be achieved before a bonus can be considered. The current minimum, target and maximum award level ranges differ for each of the Named Executive Officers and are based on a November 2005 competitive assessment undertaken by the Committee's independent compensation consultant which looked at EICP award level opportunities from a cross-section of all industries, including some of the electric companies included in the Shareholder Performance Graph.

The prospective awards under the EICP for each of the Named Executive Officers currently range from 22.5% to 42.5%, from 45% to 85%, and from 90% to 170%, for the minimum, target, and maximum awards, respectively, of the midpoint of the executive salary grade ranges at the end of the year, but in any event in any individual case not in excess of \$2 million. Potential payouts if all goals are met at the target level are currently estimated as follows: Ms. Lau, \$394,550; Mr. May, \$330,600; Mr. Yeaman, \$191,500 and Ms. Wong, \$130,500.

Under the 2005 EICP, Mr. Clarke received a payout of \$830,008 in February 2006. This resulted from achievement of (1) the earnings per share goal (weighted 60%) near the maximum level, (2) one individual operational goal (weighted 10%) at maximum level, (3) one individual operational goal (weighted 5%) at maximum level, and one individual operational goal at minimum level (weighted 5%). The total return to shareholders goal (weighted 15%) and another operational goal (weighted 5%) were not achieved. The EICP award for Mr. Clarke was exclusively based on the foregoing measures. No further adjustment was made by the Committee. The other Named Executive Officers, except for Mr. May, who did not achieve the minimum earnings threshold, also received EICP payouts under the 2005 EICP, as noted in the Summary Compensation Table of the Executive Compensation section of this Proxy Statement.

#### *Long-Term Incentive Plan*

The Company provides a long-term incentive plan ("LTIP") that is linked to the long-term financial performance of the Company. All awards under the LTIP are paid 60% in cash and 40% in HEI Common Stock. The LTIP goals are based on achieving financial criteria established by the Committee for a three-year period. A new three-year performance period starts each year.

In February and March 2006, the Committee established the financial measures for the 2006-2008 cycle for the Named Executive Officers at HEI. Mr. Clarke, who has announced his retirement effective May 31, 2006 will not have the requisite service to participate in the 2006-2008 LTIP. There are two goals for Mr. Yeaman and Ms. Wong: (1) HEI return on average common equity (ROACE) goal (weighted 60%) based 50% on HECO's ROACE goal and 50% on ASB's ROACE goal and (2) HEI's total return to shareholders goal (weighted 40%).

Mr. May has three LTIP goals: (1) HECO consolidated ROACE goal (weighted 40%), based on HECO's percentile position measured against a utility peer group of the EEI Index of Investor-Owned Electric Companies, (2) HECO consolidated net income goal (weighted 40%) and (3) HEI's total return to shareholders (weighted 20%). Ms. Lau also has three LTIP goals: (1) ASB's ROACE (weighted 40%) based on an internal budget measurement, (2) ASB's net income (weighted 40%), and (3) HEI's total return to shareholders (weighted 20%).

The achievement of each of the goals for the Named Executive Officers is expressed in terms of minimum, target and maximum levels. The LTIP award levels for each of the Named Executive Officers are established by the Committee based on recommendations from the Committee's independent compensation consultant. The current minimum, target and maximum award level ranges differ for each of the Named Executive Officers and were based on a November 2005 competitive assessment undertaken by the Committee's independent compensation consultant which reviewed LTIP award level opportunities from a cross-section of all industries, including some of the electric companies included in the Shareholder Performance Graph.

The prospective awards under the LTIP for each of the Named Executive Officers currently range from 30% to 65%, from 60% to 130%, and from 120% to 260%, for the minimum, target, and maximum awards, respectively, of the midpoint of the executive salary grade ranges projected to the end of the performance period, but in any event not in any individual case in excess of \$2.5 million. Potential payouts if all goals are met at the target level are currently estimated as follows: Ms. Lau, \$510,400; Mr. May, \$463,200; Mr. Yeaman, \$241,200, and Ms. Wong, \$183,000.

For the three-year cycle ending December 31, 2005, only Ms. Lau received an LTIP award between the target and maximum level for all three ASB goals of ROACE, net income, and fee income. Mr. Clarke, Mr. May, Mr. Yeaman and Ms. Wong received no payout on the ROACE or total

shareholder return goals. Mr. May received no LTIP award for his third goal, consolidated utility ROACE as a percent of allowed return.

#### *Stock Incentives*

The Committee may grant nonqualified stock options, incentive stock options, restricted stock, stock appreciation rights, and dividend equivalents under the 1987 Stock Option and Incentive Plan (SOIP) of Hawaiian Electric Industries, Inc. (as amended, restated and approved by the shareholders on April 20, 2004). Prior to 2004, nonqualified stock options with dividend equivalents were issued to the Named Executive Officers under the Plan. In 2004 and 2005, the Committee granted Stock Appreciation Rights (SARs) with SARs dividend equivalents to the Named Executive Officers.

The number of SARs grants for each of the Named Executive Officers was based on a September 2003 competitive assessment undertaken by the Committee's independent compensation consultant. The assessment reviewed grants from a cross-section of all industries, including some of the electric companies included in the Shareholder Performance Graph. Based on this assessment, the consultant recommended a range of stock option grants for each of the Named Executive Officers. This range took into account the fact that a portion of the officer's long-term incentive opportunity is delivered through participation in the LTIP. In granting stock options or SARs, the Committee takes into consideration the amount and value of current options and SARs outstanding. The grants are intended to retain the officers, motivate them to improve long-term stock performance and to increase their ownership position in the Company over time. Stock options and SARs were granted at average fair market value which is based on the average of the daily high and low sales prices of HEI Common Stock on the New York Stock Exchange during the calendar month immediately preceding the date of grant. Stock options and SARs issued before 2005 vest in equal installments over a four-year period. The 2005 SARs award was granted with a four-year cliff vesting.

In 2005, the Compensation Committee granted Mr. Clarke a SARs award of 150,000 shares of HEI Common Stock (reflecting the Company's 2004 stock split) plus SARs dividend equivalents, with an exercise price of \$26.18 per share. The award was based on the compensation consultant's recommendation and the independent evaluation of an appropriate award level by the Committee. In this evaluation, the Committee took into account prior grants to Mr. Clarke and an overall subjective evaluation of his job performance. The other Named Executive Officers also received the following SARs awards of HEI Common Stock plus SARs dividend equivalents in 2005: Ms. Lau 50,000 shares; Mr. May 50,000 shares; Mr. Yeaman, 30,000 shares; and Ms. Wong 24,000 shares.

In December 2005, to accommodate changes to the tax rules imposed by the new Section 409A of the Internal Revenue Code of 1986, as amended (Section 409A), the Company modified the provisions for paying dividend equivalents on shares underlying nonqualified stock options and SARs that were vested on December 31, 2004, and the Company similarly modified provisions for paying dividend equivalents on dividends declared after 2004. Before modification, dividend equivalents were paid when and to the extent that the employee exercised the nonqualified stock options/SARs. In order to comply with Section 409A, any vested dividend equivalent subject to the modification will be paid not later than 2½ months after the year in which the underlying dividend equivalent is declared (without regard to whether the underlying nonqualified stock option/SAR is exercised). The amount of such dividend equivalent payment generally is reduced if, as of December 31 for the year the payment is made, the per share exercise price of the underlying nonqualified stock option/SAR exceeds the fair market value per share of the underlying common stock.

As a result of this change for Section 409A, a total of 61,482 dividend equivalent shares were paid out to SOIP participants in February 2006 for the stock option grants of 2001-2003 and SARs grants of

2004 and 2005. The gross amount of 69,737 dividend equivalent shares subject to 409A was reduced by 8,255 shares because the exercise price of the SARs grants of 2004 and 2005 exceeded the value of the underlying common stock at December 31, 2005. The Named Executive Officers received the following dividend equivalent shares: Mr. Clarke 19,487 shares, Ms. Lau 9,049 shares; Mr. May 9,049 shares; Mr. Yeaman, 1,583 shares; and Ms. Wong -0- shares.

In December 2002, the Company elected to adopt the fair value based method of accounting for its stock options, as prescribed by Statement of Financial Accounting Standards (SFAS) No. 123, "Accounting for Stock-Based Compensation," as amended. In January 2006 the company adopted SFAS No. 123 (Revised 2004).

#### *Other Compensation Plans*

The Named Executive Officers participate in certain broad-based employee benefit plans and executive retirement and death benefits adopted by the Company. Other than the HEI Retirement Savings Plan (which qualifies under Section 401(k) of the Internal Revenue Code of 1986, as amended (IRC)), which offers the HEI Common Stock as one of the investment options, benefits under these other plans are not tied to Company performance.

The Company provides additional retirement benefits which are discussed on pages 26 to 28 for the Named Executive Officers and certain other employees. To provide for the event of death during active employment, the Company also provides all the Named Executive Officers (except Ms. Lau) and certain other employees Flex plan credits to purchase \$50,000 term life insurance plus an amount equal to two times the employee's salary on an after-tax basis at the date of death, paid by the Company to the employee's beneficiary. If the employee dies after retirement, this benefit is reduced to \$20,000 term life insurance plus an amount equal to one times the employee's salary at retirement, also on an after-tax basis. For Ms. Lau, ASB provides Flex plan credits to purchase term life insurance equal to one and one-half times her salary at the date of death in the event of death during active employment. If Ms. Lau dies after retirement, the Company provides a payout to her beneficiary in an amount equal to one times her salary at the date of her retirement on an after-tax basis.

Finally, the Committee reviewed the provisions of Section 162(m) of the IRC, relating to the \$1 million deduction cap for executive salaries, and believes that no compensation for the five highest paid Named Executive Officers will be governed by this regulation except for Mr. Clarke and Ms. Lau. Compensation alternatives to comply with IRC Section 162(m) were approved by the shareholders at the 2003 Annual Meeting. The Committee will take Section 162(m) into account as one of the factors it considers in establishing executive compensation and will award deductible compensation to the extent consistent with its overall compensation policy. However, the Committee may determine to award compensation in excess of Section 162(m) deduction limits as it deems appropriate.

**SUBMITTED BY THE  
COMPENSATION COMMITTEE  
OF THE HEI BOARD OF DIRECTORS**

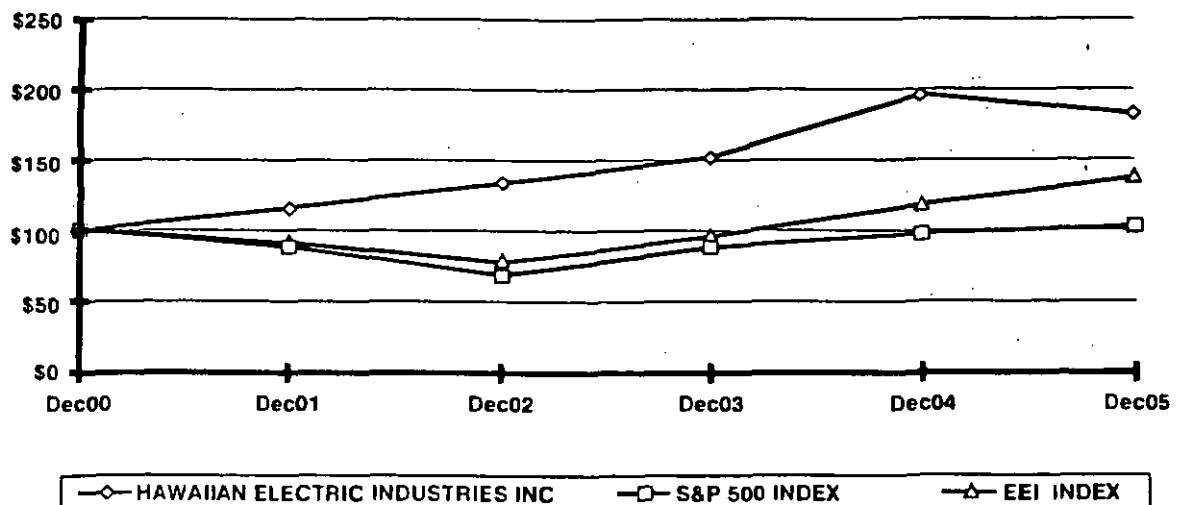
Bill D. Mills, Chair  
Don E. Carroll  
Victor H. Li  
A. Maurice Myers  
Diane J. Plotts

### Shareholder Performance Graph

The graph below compares the cumulative total shareholder return on HEI Common Stock against the cumulative total return of companies listed on Standard & Poor's ("S&P") 500 Stock Index and the EEI Peer Group (65 companies were included in the Peer Group in 2005). The companies comprising the EEI Peer Group serve over 90% of the customers of the investor-owned electric utility industry. The graph is based on the market price of common stock for all companies at December 31 each year and assumes that \$100 was invested on December 31, 2000 in HEI Common Stock and the common stock of all companies and that dividends were reinvested for all companies.

Comparison of Five-Year Cumulative Total Return  
Among Hawaiian Electric Industries, Inc.,  
S&P 500 Index, and EEI Peer Group

2000-2005



### **Audit Committee Report**

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The Audit Committee is responsible for providing independent, objective oversight of HEI's accounting functions and internal controls. It operates and acts under a written charter, which was adopted and approved by the Committee and the HEI Board of Directors. A copy of the Audit Committee Charter is attached to this Proxy Statement as Appendix E and may also be viewed on the Company's website. The Board has determined that the four directors of the Audit Committee meet the independence and other qualification requirements of the New York Stock Exchange Listed Company Manual and applicable securities laws. Ms. Plotts, Dr. Daniel and Mr. Taniguchi have been determined by the Board of Directors to be the "audit committee financial experts" on the Audit Committee. In addition, the Committee has standby arrangements with its own independent legal counsel and accounting advisors.

The Audit Committee oversees the Company's financial process on behalf of the Board of Directors. Management has the primary responsibility for the Company's consolidated financial statements and reporting process, including the systems of internal control. The independent registered public accounting firm has the responsibility for the independent audit of the consolidated financial statements and expressing an opinion on the conformity of those audited consolidated financial statements with U. S. generally accepted accounting principles.

In connection with these responsibilities, the Audit Committee held five regular and three special meetings in 2005. In these meetings with management and KPMG LLP, HEI's independent registered public accounting firm, the Committee's review and discussion included the audited consolidated financial statements, audit plan, and quality/adequacy of internal controls. The Committee believes that management maintains effective systems of internal control that result in fairly presented consolidated financial statements. Discussions with KPMG LLP included the matters required by Statement on Auditing Standards No. 61 (Codification of Statements on Auditing Standards §380), which incorporates information regarding the scope and results of the audit.

#### *Independent Registered Public Accounting Firm's Independence*

KPMG LLP provided the Committee with written disclosures and a letter regarding its independence from management as required by Independence Standards Board Standard No. 1 (Independence Discussions with Audit Committee). Based on its review of the disclosure statements and discussions with KPMG LLP, the Audit Committee satisfied itself as to the independence of the external auditor.

*Auditors' Fees*

The following table sets forth the fees paid or payable to KPMG LLP relating to the audit of the 2005 consolidated financial statements and fees for other professional services billed in 2005 with comparative amounts for 2004:

	2005		2004	
	Fees	%	Fees	%
Audit fees (principally consisted of fees associated with the audit of the consolidated financial statements and internal control over financial reporting (SOX 404), quarterly reviews, issuances of letters to underwriters, accounting consultations on matters reflected in the financial statements, statutory audits, review of registration statements, and issuance of consents) .....	2,171,000	96.0	\$2,615,000	96.8
Audit-related fees (principally consisted of fees associated with the audit of the financial statements of certain employee benefit plans) .....	51,000	2.2	47,000	1.7
Tax fees (tax compliance services with respect to Federal and State taxes):				
American Savings Bank .....	25,000	1.1	25,000	0.9
Other .....	15,000	.7	15,000	0.6
All other fees (advisement on Sarbanes-Oxley Act of 2002) . . .	0	0	0	0
	<u>2,262,000</u>	<u>100.0</u>	<u>\$2,702,000</u>	<u>100.0</u>

The Audit Committee approved and adopted preapproval policies and procedures for nonaudit services proposed to be performed by the Company's independent auditor. The policies and procedures were implemented in 2002. Departmental requests for nonaudit services are reviewed by senior management and, once approved, are forwarded to the Chair of the Audit Committee for preapproval. The Audit Committee is asked to ratify the Chair's preapproval at its next scheduled meeting. In addition, the Audit Committee reviewed the professional fees billed by KPMG LLP and determined that the provision of nonaudit services was compatible with the maintenance of the auditors' independence. In addition, the Audit Committee, pursuant to the terms of its charter, approves all audit services to be performed by the independent auditor.

Based on its discussions with management and KPMG LLP and review of their representations, the Audit Committee recommended to the Board of Directors that the audited consolidated financial statements be included in HEI's 2005 Annual Report on Form 10-K.

SUBMITTED BY THE  
AUDIT COMMITTEE  
OF THE HEI BOARD OF DIRECTORS

Diane J. Plotts, Chair  
Shirley J. Daniel  
Thomas B. Fargo  
James K. Scott (effective March 7, 2006)  
Barry K. Taniguchi



## Indebtedness of Management

Did the Company or any subsidiary provide loans to directors or executive officers?

American Savings Bank, F.S.B. ("ASB"), a subsidiary of the Company, offers preferential employee rate loans to its directors and executive officers, as allowed by the amended Federal Reserve Act.

Six ASB directors listed below who are also directors of HEI, whose aggregate indebtedness to ASB exceeded \$60,000 at any time during 2005, received preferential rate loans as shown below.

<u>Name</u>	<u>Largest Loan Amount Outstanding During 2005</u>	<u>Loan Amount Outstanding on 1/31/06</u>	<u>Type of Transaction</u>	<u>Average Interest Rate Charged(1)</u>
Robert F. Clarke .....	\$ 871,824	\$ 826,845	First Mortgage	3.000%
Shirley J. Daniel .....	1,500,000	1,489,122	First Mortgage	4.000%
Constance H. Lau .....	842,136	818,676	First Mortgage	2.625%
Constance H. Lau .....	42,328	39,150	Second Mortgage	3.125%
Constance H. Lau .....	1,760	640	Credit Card	12.00%
Victor H. Li .....	357,218	349,129	First Mortgage	3.000%
Victor H. Li .....	1,841	0	Preferred Credit Line	12.00%
Diane J. Plotts .....	458,227	445,612	First Mortgage	2.265%
Jeffrey N. Watanabe .....	573,353	555,169	First Mortgage	3.750%

(1) The first mortgage rate is based on ASB's policy for employees and directors using a formula of .50% premium above the cost of funds or .50% premium above the Applicable Federal Rate established by the Internal Revenue Service, whichever is greater. The second mortgage rate uses the same formula with a premium of 1.0%. The interest rates for the employee Preferred Credit Line and credit card are set and reviewed annually by ASB's Management Committee, which is comprised of senior officers of the bank.

The Board of Directors approved a recommendation of the Nominating and Corporate Governance Committee that effective June 30, 2006, new preferential rate loans not be extended to any nonemployee directors of ASB, including directors who are also directors of HEI.

ASB made other loans, established lines of credit and issued credit cards to directors and executive officers of the Company, and to members of their immediate families. These loans and extensions of credit were made in the ordinary course of business, were made on substantially the same terms, including interest rates and collateral, as those prevailing at the time for comparable transactions with other persons, and did not involve more than the normal risk of collectibility or present other unfavorable features.

## Transactions with Directors and Executive Officers

Did the Company enter into any transactions with directors or executive officers?

Director Jeffrey Watanabe is a partner in the law firm of Watanabe Ing and Komeiji LLP which performed legal services for the Company and certain of its subsidiaries during 2005.

## **Other Information**

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### **How is the solicitation to be made and what is its cost?**

The Company pays all expenses of the proxy solicitation. Georgeson Shareholder Communications Inc. has been hired to assist in the distribution of proxy materials and solicitation of votes for \$5,500 plus reasonable out-of-pocket expenses. In addition, the Company will reimburse brokerage firms and other custodians, nominees, and fiduciaries for their expenses to forward proxy and solicitation material to shareholders.

### **What is the deadline for submitting a proposal for next year's Annual Meeting?**

Shareholders who want to have a proposal included in the Proxy Statement and form of proxy for the 2007 Annual Meeting of Shareholders must notify the Secretary of the Company in writing. The proposal must be received by December 6, 2006.

### **How can business matters be brought before the Annual Meeting and how will they be voted?**

Shareholders who want to properly present business before the Annual Meeting must give notice to the Secretary of the Company no later than 60 days nor earlier than 90 days prior to the anniversary date of the preceding year's annual meeting. To be timely in the year 2007, notice must be received by the Secretary of the Company no later than March 3, 2007 nor earlier than February 1, 2007. The notice must be in writing and state the reason and brief description of the business, the name and address of the shareholder, number of shares of Common Stock owned by the shareholder, and any material interest of the shareholder in such business, and include a representation that the shareholder will present the business before the meeting in person or by proxy.

### **How can shareholders make recommendations for director nominees?**

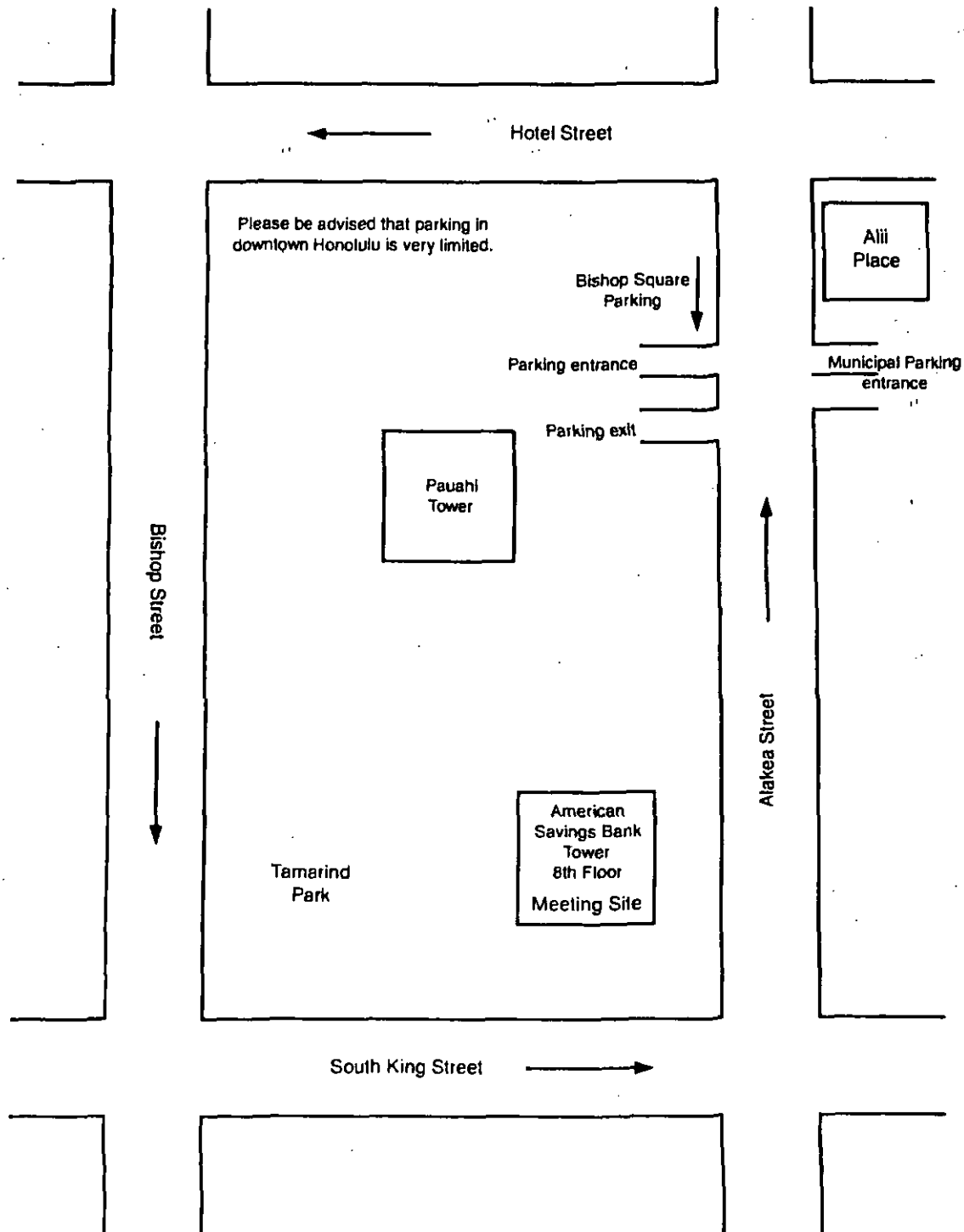
You can recommend any person as a director of HEI to the Nominating and Corporate Governance Committee by writing to the Committee in care of the Secretary, Hawaiian Electric Industries, Inc., P. O. Box 730, Honolulu, Hawaii 96808-0730. Recommendations must be received by December 6, 2006 for consideration by the Committee for the 2007 Annual Meeting of Shareholders. The recommendation must include the nominee's qualifications to be a director of the Company and other relevant biographical information and confirmation of the nominee's consent to serve. In addition, a shareholder nominating any person for election to the board at the annual meeting must provide notice no later than March 3, 2007 nor earlier than February 1, 2007. The notice must be in writing and provide the information required to be disclosed in any filing made in connection with solicitations of proxies for the election of directors pursuant to Section 14 of the Securities Exchange Act of 1934, as amended and the rules and regulations promulgated thereunder. The nomination must be accompanied by a written confirmation of the nominee's consent to serve.

If other business is properly brought before the Annual Meeting, or at any adjournment, the persons named on the enclosed proxy will vote your stock in accordance with their best judgment. The Company knows of no other business to be presented at the 2006 Annual Meeting.

Please vote your proxy as soon as possible to make certain that your shares will be counted at the meeting.

Patricia U. Wong  
Vice President-Administration and Secretary

April 5, 2006



Appendix B

AMENDMENT TO ARTICLE FOURTH OF THE RESTATED ARTICLES OF  
INCORPORATION OF HAWAIIAN ELECTRIC INDUSTRIES, INC.

*Amendment to Increase the Authorized Shares of Common Stock*

Article Fourth is amended so that the first paragraph thereof shall read in its entirety of the Restated Articles of Incorporation of the Corporation as follows:

Fourth: The amount of the capital stock of the corporation shall be two hundred million (200,000,000) shares of Common Stock without par value and ten million (10,000,000) shares of Preferred Stock without par value.

Appendix C

**HAWAIIAN ELECTRIC INDUSTRIES, INC.**  
**1990 Nonemployee Director Stock Plan**  
**As Amended and Restated: May 2, 2006**

**1. Purposes of the Plan**

The purposes of this Hawaiian Electric Industries, Inc. 1990 Nonemployee Director Stock Plan are to provide participating directors with additional incentives to improve the Company's performance by increasing the level of stock owned by such nonemployee directors to reinforce the participating directors' role in enhancing shareholder value, and to provide an additional means of attracting and retaining such nonemployee directors through the issuance of Common Stock under the Plan as compensation to Nonemployee Directors. As amended and restated herein, this Plan incorporates all amendments effective on or before May 2, 2006, including provisions formerly memorialized in the Hawaiian Electric Industries, Inc. 1999 Nonemployee Company Director Stock Grant Plan, which is hereby superceded.

**2. Definitions**

When used herein, the following terms shall have the respective meanings set forth below:

- (a) "Annual Retainer" means the annual fee payable to all Nonemployee Company Directors and Nonemployee Participating Company Directors as provided in Section 6 below (exclusive of any expense reimbursements).
- (b) "Annual Meeting of Shareholders" means the annual meeting of shareholders of the Company, or any Participating Company, at which directors of the Company or the Participating Company, as the case may be, are elected.
- (c) "Board" means the Board of Directors of the Company.
- (d) "Committee" means the Nominating and Corporate Governance Committee of the Board or such other committee appointed from time to time by the Board to administer the Plan in accordance with Section 4(a) hereof.
- (e) "Common Stock" means the common stock, without par value, of the Company.
- (f) "Company" means Hawaiian Electric Industries, Inc., a Hawaii corporation, and any successor corporation.
- (g) "Employee" means any officer or employee of the Company or any of its direct or indirect subsidiaries or affiliates (whether or not such subsidiary or affiliate participates in the Plan).
- (h) "Nonemployee Company Director" means any person who is elected or appointed to the Board of Directors of the Company and who is not an employee.
- (i) "Nonemployee Participating Company Director" means any person who is elected or appointed to the Board of Directors of any one or more Participating Companies and who is not an Employee.
- (j) "Participating Company" means any direct or indirect subsidiary or affiliate of the Company whose participation in the Plan has been approved by the Board.
- (k) "Plan" means the Company's 1990 Nonemployee Director Stock Plan, as amended and restated as set forth herein, as it may be further amended from time to time.

- (l) "Stock Payment" means the grant of shares of Common Stock to Nonemployee Company Directors or Nonemployee Participating Company Directors for services rendered as a director of the Company or a Participating Company, as provided in Section 7 hereof.

3. Shares of Common Stock Subject to the Plan

Subject to adjustment as provided in Section 9 below, the maximum aggregate number of shares of Common Stock that may be issued under the Plan, when taken together with any shares ever granted under the provisions of the Hawaiian Electric Industries, Inc. 1999 Nonemployee Company Director Stock Grant Plan, is 300,000 shares. The Common Stock to be issued under the Plan will be made available from authorized but unissued shares of Common Stock, and the Company shall set aside and reserve for issuance under the Plan said number of shares.

4. Administration of the Plan

- (a) The Plan will be administered by the Committee, which will consist of three or more Nonemployee Company Directors. Members of the Committee need not be members of the Board. The Company shall pay all costs of administration of the Plan.
  - (b) Subject to the express provisions of the Plan, the Committee has and may exercise such powers and authority of the Board as may be necessary or appropriate for the Committee to carry out its functions under the Plan. Without limiting the generality of the foregoing, the Committee shall have full power and authority (i) to determine all questions of fact that may arise under the Plan, (ii) to interpret the Plan and to make all other determinations necessary or advisable for the administration of the Plan, and (iii) to prescribe, amend, and rescind rules and regulations relating to the Plan, including, without limitation, any rules which the Committee determines are necessary or appropriate to ensure that the Company, each Participating Company and the Plan will be able to comply with all applicable provisions of any federal, state or local law, including securities laws and laws relating to the withholding of tax. All interpretations, determinations, and actions by the Committee will be final, conclusive, and binding upon all parties. Any action of the Committee with respect to the administration of the Plan shall be taken pursuant to a majority vote at a meeting of the Committee (at which members may participate by telephone) or by the unanimous written consent of its members.
  - (c) Neither the Company, nor any Participating Company, nor any representatives, employees or agents of the Company or any Participating Company, nor any member of the Board or the Committee or any designee thereof will be liable for any damages resulting from any action or determination made by the Board or the Committee with respect to the Plan or any transaction arising under the Plan or any omission in connection with the Plan in the absence of willful misconduct or gross negligence.
5. Participation in the Plan
- (a) All Nonemployee Company Directors and Nonemployee Participating Company Directors shall participate in the applicable provisions of the Plan, subject to the conditions and limitations of the Plan, so long as they remain eligible to participate in the Plan.
  - (b) Nonemployee Company Directors and Nonemployee Participating Company Directors shall be eligible for Annual Retainers pursuant to the terms of Section 6 of the Plan and for Stock Payments pursuant to the terms of Section 7 of the Plan.

6. Determination of Nonemployee Directors' Annual Retainers

The Committee shall meet annually to determine the Annual Retainer for all Nonemployee Directors, subject to approval by the Board. Unless there are material changes in the duties of a Nonemployee Company Director or a Nonemployee Participating Company Director during the course of any calendar year, the Annual Retainer shall not be determined more than once each calendar year. The Annual Retainer shall be paid to each Nonemployee Company Director and each Nonemployee Participating Company Director by the respective company for which the person serves as a director. The Annual Retainer shall be paid at such times and in such manner as may be determined by the Board or the Committee.

7. Determination of Nonemployee Directors' Stock Payments

- (a) Each Nonemployee Company Director who serves in that capacity immediately following the date of the Annual Meeting of Shareholders of the Company shall receive, in addition to the Annual Retainer payable to such Nonemployee Company Director, a Stock Payment equal to one thousand four hundred (1,400) shares of Common Stock for serving as a Nonemployee Company Director (two thousand (2,000) shares in the case of the first Stock Payment to a Nonemployee Company Director pursuant to this sentence). Each Nonemployee Participating Company Director (who is not also a director of the Company) who serves in that capacity immediately following the date of the Annual Meeting of Stockholders of one or more Participating Companies shall receive, in addition to the Annual Retainer payable to such Nonemployee Participating Company Director, a Stock Payment equal to one thousand (1,000) shares of Common Stock for serving as a Nonemployee Participating Company Director. Each Director who during any calendar year becomes a Nonemployee Company Director or Nonemployee Participating Company Director for the first time, other than at the Annual Meeting of Shareholders (whether by election or appointment as a director of the Company or a Participating Company), shall receive, in addition to any Annual Retainer payable, a Stock Payment equal to two thousand (2,000) shares of Common Stock (in the case of the Company) or one thousand (1,000) shares of Common Stock (in the case of a Participating Company), for serving as a Nonemployee Company Director or Nonemployee Participating Company Director, as the case may be. Such Stock Payments shall be paid by the Company as soon as practicable following the date such director is first elected or appointed to the Board of Directors of the Company or the Board of Directors of a Participating Company, as the case may be.
- (b) No Nonemployee Company Director or Nonemployee Participating Company Director shall be required to forfeit or otherwise return to the Company any shares of Common Stock issued to him or her as a Stock Payment pursuant to the Plan notwithstanding any change in status of such director which renders him or her ineligible to continue as a participant in the Plan.

8. Shareholder Rights

- (a) Nonemployee Company Directors and Nonemployee Participating Company Directors shall not be deemed for any purpose to be or have rights as shareholders of the Company with respect to any shares of Common Stock except as and when such shares are issued and then only from the date of issuance therefore. No adjustment shall be made for dividends or distributions or other rights for which the record date precedes the date of such issuance.
- (b) Subject to the provisions of Section 8(a) above, Nonemployee Company Directors and Nonemployee Participating Company Directors will have all rights of a shareholder with respect to

Common Stock issued, including the right to vote the shares and receive all dividends and other distributions paid or made with respect thereto.

9. Adjustment for Changes in Capitalization

If the outstanding shares of Common Stock of the Company are increased, decreased, or exchanged for a different number or kind of shares or other securities, or if additional shares or new or different shares or other securities are distributed with respect to such shares of Common Stock or other securities, through merger, consolidation, sale of all or substantially all of the property of the Company, reorganization, recapitalization, reclassification, stock dividend, stock split, reverse stock split, combination of shares, rights offering, distribution of assets or other distribution with respect to such shares of Common Stock or other securities or other change in the corporate structure or shares of Common Stock, the maximum number of shares and/or the kind of shares that may be issued under the Plan may be appropriately adjusted by the Committee. Any determination by the Committee as to any such adjustment will be final, binding, and conclusive. The maximum number of shares issuable under the Plan as a result of any such adjustment shall be rounded up to the nearest whole share.

10. Continuation of Director or Other Status

Nothing in the Plan or in any instrument executed pursuant to the Plan or any action taken pursuant to the Plan shall be construed as creating or constituting evidence of any agreement or understanding, express or implied, that the Company or any other Participating Company, as the case may be, will retain a Nonemployee Company Director or Nonemployee Participating Company Director as a director or in any other capacity for any period of time or at a particular retainer or other rate of compensation, as conferring upon any director any legal or other right to continue as a director or in any other capacity, or as limiting, interfering with or otherwise affecting the right of the Company or a Participating Company to terminate a director in his or her capacity as a director or otherwise at any time for any reason, with or without cause, and without regard to the effect that such termination might have upon him or her as a participant under the Plan.

11. Compliance with Government Regulations

Neither the Plan nor the Company shall be obligated to issue any shares of Common Stock pursuant to the Plan at any time unless and until all applicable requirements imposed by any federal and state securities and other laws, rules, and regulations, by any regulatory agencies or by any stock exchanges upon which the Common Stock may be listed have been fully met. As a condition precedent to any issuance of shares of Common Stock and delivery of notice of share ownership evidencing such shares pursuant to the Plan, the Board or the Committee may require a Nonemployee Company Director or Nonemployee Participating Company Director to take any such action and to make any such covenants, agreements and representations as the Board or the Committee, as the case may be, in its discretion deems necessary or advisable to ensure compliance with such requirements. The Company shall in no event be obligated to register the shares of Common Stock issued or issuable under the Plan pursuant to the Securities Act of 1933, as now or hereafter amended, or to qualify or register such shares under any securities laws of any state upon their issuance under the Plan or at any time thereafter, or to take any other action in order to cause the issuance and delivery of such shares under the Plan or any subsequent offer, sale or other transfer of such shares to comply with any such law, regulation or requirement. Nonemployee Company Directors and Nonemployee Participating Company Directors are responsible for complying with all applicable federal and state securities and other laws, rules and regulations in connection with any offer, sale or other transfer of the shares of Common Stock issued under the Plan or any interest therein including, without limitation, compliance with the



registration requirements of the Securities Act of 1933, as amended (unless an exemption therefrom is available), or with the provisions of Rule 144 promulgated thereunder, if available, or any successor provisions.

**12. Nontransferability of Rights**

No Nonemployee Company Director or Nonemployee Participating Company Director shall have the right to assign the right to receive any Stock Payment or any other right or interest under the Plan, contingent or otherwise, or to cause or permit any encumbrance, pledge or charge of any nature to be imposed on any such payment (prior to the issuance of notice of share ownership evidencing such Stock Payment) or any such right or interest.

**13. Amendment and Termination of Plan**

- (a) The Board will have the power in its discretion, to amend, suspend or terminate the Plan at any time. No such amendment will, without approval of the shareholders of the Company:
  - (i) Change the class of persons eligible to receive Stock Payments under the Plan or otherwise modify the requirements as to eligibility for participation in the Plan; or
  - (ii) Increase the number of shares of Common Stock which may be issued under the Plan (except for adjustments as provided in Section 9 hereof).
- (b) No amendment, suspension or termination of the Plan will, without the consent of the Nonemployee Company Director or Nonemployee Participating Company Director, alter, terminate, impair, or adversely affect any right or obligations under any Stock Payment previously granted under the Plan to such Participant, unless such amendment, suspension or termination is required by applicable law.
- (c) Notwithstanding the foregoing, the Board may, without further action by the shareholders of the Company, amend the Plan or modify Stock Payments under the Plan (i) in response to changes in securities or other laws, or rules, regulations or regulatory interpretations thereof, applicable to the Plan, or (ii) to comply with stock exchange rules or requirements.

**14. Governing Law**

The laws of the State of Hawaii shall govern and control the interpretation and application of the terms of the Plan.

**15. Effective Date and Duration of the Plan**

The Plan, as amended and restated herein, will become effective as of May 2, 2006. Unless previously terminated by the Board, the Plan will terminate on April 27, 2010.

Appendix D

AMENDMENT TO ARTICLE SIXTH, SECTION (b) OF THE RESTATED  
ARTICLES OF INCORPORATION OF HAWAIIAN ELECTRIC INDUSTRIES, INC.

*Amendment to Modify Provisions Related to the Independent Registered Public Accounting Firm*

Article Sixth of the Restated Articles of Incorporation of the Corporation is amended so that Section (b) thereof shall read in its entirety as follows:

There shall be an audit committee of the board of directors which shall be responsible for the appointment, removal, compensation and oversight of the corporation's registered public accounting firm. The audit committee shall ask the stockholders of the corporation to ratify such appointment at the annual meeting of stockholders. An independent registered public accounting firm appointed by the audit committee shall serve until a successor is elected or such independent registered public accounting firm's earlier resignation or removal by the audit committee of the board of directors following a determination that it is in the best interest of the corporation and its stockholders that the independent registered public accounting firm be so removed. Upon such resignation or removal the audit committee of the board of directors shall appoint a new independent registered public accounting firm. An independent registered public accounting firm so appointed shall be recommended for ratification at the next annual or special meeting of the stockholders of the corporation, unless such independent registered public accounting firm shall earlier resign or be replaced.

x x x x x

The text of Section (b) of Article Sixth prior to the amendment is as follows:

(b) The stockholders of the corporation shall elect an auditor at the annual meeting of stockholders who shall not be an officer of the corporation and shall serve until a successor is elected. The auditor may be an individual, partnership or corporation. The initial auditor of the corporation to serve until the first annual meeting of stockholders shall be Peat, Marwick, Mitchell & Co.

Appendix E

**CHARTER OF THE AUDIT COMMITTEE  
OF THE BOARD OF DIRECTORS OF  
HAWAIIAN ELECTRIC INDUSTRIES, INC.  
ADOPTED SEPTEMBER 17, 2002  
(AS AMENDED DECEMBER 13, 2005)**

**Purpose**

There shall be a committee of the board of directors (the "Board") of Hawaiian Electric Industries, Inc. ("HEI" or the "Company") to be known as the audit committee (the "Committee"). The Committee shall assist the Board in fulfilling its oversight responsibilities. The Committee's primary duties and responsibilities are to:

- Comply with all applicable laws and regulations and rules of the Securities and Exchange Commission ("SEC") and New York Stock Exchange ("NYSE") and Sarbanes Oxley Act of 2002 (the "Act").
- Monitor the quality and integrity of the Company's financial statements, financial reporting process and systems of internal controls regarding risk management, finance, accounting, and legal and regulatory compliance.
- Monitor the independence and qualifications of the Company's registered public accounting firm engaged for the purpose of preparing or issuing an audit report for inclusion in the Company's Annual Report on Form 10-K (referred to herein as the "independent auditors"); further, monitor the performance of the independent auditors and the Company's internal auditing function.
- Provide an avenue of communication among the independent auditors, management, the Company's internal auditing function and the Board.
- Issue the report pursuant to Item 306 of Regulation S-K of the SEC that is required to be included in the Company's annual proxy statement.

**Membership**

The Committee shall be composed of directors who are independent of the management of the Company and are free of any relationship that, in the opinion of the Board, might interfere with their exercise of independent judgment as a committee member.

The Committee will consist of a minimum of three members who shall be appointed annually by the Board. New members will be proposed by the nominating and corporate governance committee for approval and appointment by the Board. Vacancies on the Committee shall be filled by majority vote of the Board at the next meeting of the Board following the occurrence of the vacancy. No member of the Committee shall be removed except by majority vote of the Board. Each member of the Committee shall be qualified to serve thereon under the requirements of the NYSE and any additional requirements that the Board deems appropriate.

A chairperson of the Committee shall be appointed by the Board. The Committee shall meet no less than four times a year. The chairperson of the Committee or a majority of the members of the Committee may also call a special meeting of the Committee. The Committee, in its discretion, may

ask members of management or others to attend its meetings (or portions thereof) and to provide pertinent information as necessary. A majority of the members of the Committee present in person or by means of a conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other shall constitute a quorum.

#### **Responsibilities**

The Committee shall provide assistance to the Board in fulfilling its responsibility to the shareholders, potential shareholders, and investment community relating to risk management, corporate accounting, reporting practices of the Company, and the quality and integrity of the financial reports of the Company. In so doing it is the responsibility of the Committee to maintain free and open means of communication among the independent auditors, those responsible for the internal auditing function, management of the Company and the Board.

In carrying out these responsibilities, the Committee will:

1. Have sole authority (subject to shareholder ratification, if applicable) to retain and terminate the independent auditors who will audit the books of the Company and its subsidiaries (with the input, if the Committee so desires, of Company management and, as appropriate, management and boards of directors of the Company's subsidiaries). The independent auditors are ultimately accountable to the Committee.
2. Have sole authority to approve the independent auditors' fee arrangements and other terms of service, and to approve all non-audit engagements of the independent auditors permitted by the Act, including the fees therefore and the terms of service (in each case, with the input, if the Committee so desires, of Company management and, as appropriate, management and boards of directors of the Company's subsidiaries). Approvals of all audit and, as provided in the Act and the SEC rules and regulations promulgated thereunder, all permitted non-audit services will be made in advance of the provision of such services. The Committee may delegate the preapproval of audit and permitted non-audit services to one or more of its members, provided that such members shall report any such approvals to the full committee.
3. At least annually, obtain and review a report by the independent auditors describing:
  - (a) The independent auditors' internal quality-control procedures;
  - (b) Any material issues raised by the most recent internal quality-control review, or peer review, of the independent auditors, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the independent auditors, and any steps taken to address any such issues; and
  - (c) All relationships between the independent auditors and the Company (in order to assess the independence of the independent auditors).
4. Evaluate the qualifications, independence and performance of the Company's independent auditors and in its sole discretion (subject, if applicable, to shareholder ratification), make decisions regarding the replacement or termination of the independent auditors when circumstances warrant. In making its evaluation, the Committee will consult with management. The Committee will present its conclusions with respect to the independent auditor to the full Board.

5. Meet with the independent auditors, those responsible for the internal auditing function, and management of the Company to review the scope of the proposed audit for the current year and the audit procedures to be utilized, monitor such plan's progress and results during the year, and, at the conclusion thereof, review such audit including any comments or recommendations of the independent auditors.
6. Review with the independent auditors, those responsible for the internal auditing function, and Company management the adequacy and effectiveness of the risk, financial, accounting and internal controls of the Company as well as of the disclosure controls and procedures of the Company, and elicit any recommendations that they may have for the improvement of such internal and disclosure control procedures or particular areas where new or more detailed controls or procedures are desirable. Particular emphasis will be given to the adequacy of such internal controls to expose any payments, transactions or procedures which might be deemed illegal or otherwise improper and the adequacy of disclosure controls to identify on a timely basis material information that should be disclosed to current and prospective investors. Further, the Committee will periodically review the Company's Corporate Code of Conduct. The Committee will also periodically discuss the Company's major financial risk exposures and steps management has taken to monitor and control such exposures.
7. Review periodically the Company's administrative, operational and auditing internal controls and evaluate whether the Company is operating in accordance with its prescribed policies, procedures and the Company's Corporate Code of Conduct with the chief executive officer and chief financial officer and independent auditors.
8. Regularly review the responsibilities, budget, staffing and performance of the internal audit function of the Company. The Company's Director of Enterprise Risk shall assist the Committee, at the Committee's direction, in the coordination with any outsourced internal audit services. Any third party provider that provides the Company's internal auditing function shall not also function as the Company's independent outside auditor. The Committee shall annually review and approve the internal audit plan and discuss any changes in the scope of the audit plan. The Committee shall review the results of the internal audit process with management and those responsible for the internal audit function, including significant findings, management's responses thereto, and the status of corrective actions or implementation of recommendations.
9. Discuss with management, the Company's independent auditors, and, if appropriate, those responsible for the internal audit function, the following information which is required to be reported by the independent auditor:
  - a. Major issues regarding the accounting principles and financial statement presentations, including any significant changes in the Company's selection or application of accounting principles, and major issues as to the adequacy of the Company's internal controls and any special audit steps adopted in light of material control deficiencies.
  - b. The effect of regulatory and accounting initiatives, as well as off-balance sheet structures, on the financial statements of the Company.
10. Receive and discuss periodic reports from the independent auditors, those responsible for the internal audit function, and management on significant accounting or financial reporting developments that may have a bearing on the Company in order to assess the impact on the Company.

11. Receive and review (1) pension audits of the HEI Retirement Plan, American Savings Bank, F.S.B. Retirement Plan, Postretirement Welfare Benefits Plan for Employees of Hawaiian Electric Company, Inc. ("HECO") and Participating Employees and (2) HEI Retirement Savings ("HEIRS") (401-K) Plan audits.
12. Meet to discuss the disclosures and quarterly financial statements contained in the quarterly reports of HEI and HECO on SEC Form 10-Q, including the Company's specific disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations," with management and with the independent auditors to determine that the independent auditors concur with the disclosure and content of the financial statements presented to the shareholders. Any material changes in accounting principles or accounting for new significant items will be reviewed.
13. Prior to the release of the annual report to shareholders and the reports of HEI and HECO on SEC Form 10-K, discuss disclosures and the financial statements to be contained therein, including the Company's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations," with management and with the independent auditors to determine that the independent auditors concur with the disclosure and content of the financial statements to be presented to the shareholders. Any material changes in accounting principles or accounting for significant new items will be reviewed.
14. Meet to discuss periodically the Company's earnings press releases (especially the use of "pro forma" or "adjusted" information not prepared in compliance with generally accepted accounting principles), as well as financial information and earnings guidance (if any) provided by the Company to analysts and rating agencies. This responsibility may be discharged generally (i.e., the Committee may discuss the types of information to be disclosed and the types of presentation to be made), and does not require that each earnings release or each provision of financial information and earnings guidance (if any) be discussed in advance.
15. Meet separately, periodically, with management, those responsible for the internal auditing function, and with independent auditors.
16. At all of its meetings make sufficient opportunity available for the independent auditors to meet with the members of the Committee without members of management present. The Committee must regularly review with the independent auditors any difficulties the auditor encountered in the course of the audit work, including any restrictions on the scope of the independent auditors' activities or on access to requested information, and any significant disagreements with management.
17. Attempt to resolve all disagreements between the Company's independent auditors and management regarding financial reporting.
18. With respect to the hiring by the Company of current or former employees of the Company's independent auditors or any third party responsible for the internal auditing function, it is the policy of the Company that the hiring of any such current or former employee of the independent auditors must be approved in advance by the Committee, and that no current or former employee of the independent auditor or third party responsible for the internal auditing function who, within one year prior to the initiation of the audit, participated in any capacity in the Company's audit shall be hired in a financial reporting oversight role, as defined in Rule 2-01 of Regulation S-X under the Securities and Exchange Act of 1934.

19. Minutes of all meetings of the Committee shall be submitted to the Board of the Company for ratification. The Committee shall further report regularly to the full Board and will review with the full Board any issues that arise with respect to the quality or integrity of the Company's financial statements, the Company's compliance with legal or regulatory requirements, the performance and independence of the Company's independent auditors, the performance of those responsible for the internal auditing function, and other matters of importance to the full Board.
20. Issue the report pursuant to Item 306 of Regulation S-K of the SEC that is required to be included in the Company's annual proxy statement addressing the Committee's review of the Company's financial statements, certain communications with management and with the independent auditors, the Committee's recommendation as to whether the financial statements should be included in the Company's annual report on Form 10-K.
21. Review the Company's policies relating to the ethical handling of conflicts of interest and review past or proposed transactions between the Company and members of management. The Committee shall consider the results of any review of these policies and procedures by the Company's independent auditors or those responsible for the internal auditing function. The Company's Director of Enterprise Risk shall coordinate the review of the CEO expense accounts with those responsible for the internal auditing function, who shall report their findings to the Chair of the Committee.
22. At least annually, review the Company's Corporate Code of Conduct and the Company's program to monitor compliance with the Company's Corporate Code of Conduct, and meet periodically with HEI's Compliance Officer to discuss compliance with the Corporate Code of Conduct.
23. Maintain procedures, as set forth in Annex A hereto, for the receipt, retention and treatment of complaints received by the Company regarding financial statement disclosures, accounting, internal accounting controls or auditing matters, and the confidential, anonymous submission by employees of the Company of concerns regarding financial statement disclosures, accounting, internal accounting controls or auditing matters.
24. Cause to be made an investigation into any appropriate matter brought to its attention within the scopes of its duties, with the power to retain outside counsel for this purpose if, in its judgment, that is appropriate.
25. The Committee shall, on an annual basis, evaluate the scope of this Charter and the Committee's performance thereunder. The Committee shall deliver to the Board a report setting forth the results of its evaluation, including any recommended amendments to this Charter and any recommended changes to the Company's or the Board's policies or procedures. The Committee shall address all matters that the Committee considers relevant to its performance.
26. Obtain advice and assistance from outside legal, accounting or other advisors, as appropriate in the course of fulfilling its duties without the necessity of seeking Board approval, the cost of such advisors to be borne by the Company.
27. Perform such additional activities, and consider such other matters, within the scope of its responsibilities, as the Committee or the Board deems necessary or appropriate.

In carrying out its responsibilities, the policies and procedures of the Committee should remain flexible in order that it can best react to changing conditions and assure the directors and shareholders that the corporate accounting and reporting practices of the Company are in accordance with all requirements and are of the highest quality.

\* \* \*

While the Committee has the duties and responsibilities set forth in this Charter, the Committee is not responsible for preparing or certifying the financial statements, for planning or conducting the audit or for determining whether the Company's financial statements are complete and accurate and are in accordance with generally accepted accounting principles.

In fulfilling their responsibilities hereunder, it is recognized that members of the Committee are not full-time employees of the Company, it is not the duty or responsibility of the Committee or its members to conduct "field work" or other types of auditing or accounting reviews or procedures or to set auditor independence standards, and each member of the Committee shall be entitled to rely on (i) the integrity of those persons and organizations within and outside the Company from which it receives information and (ii) the accuracy of the financial and other information provided to the Committee, in either instance absent actual knowledge to the contrary.

Nothing contained in this charter is intended to create, or should be construed as creating, any responsibility or liability of the members of the Committee, except to the extent otherwise provided under the applicable state and federal laws or the listing requirements of the NYSE which shall continue to set the legal standard for the conduct of the members of the Committee.

\* \* \*



Annex A

**Procedures for the Submission of Complaints or Concerns  
Regarding Financial Statement Disclosures, Accounting,  
Internal Accounting Controls or Auditing Matters**

1. Employees may submit any concerns or complaints regarding financial statement disclosures, accounting, internal accounting controls or auditing matters to their respective controller, chief financial officer, president, compliance officer or the Hawaiian Electric Company ("HECO") General Counsel, any of whom must promptly notify the HEI Compliance Officer designated in the Corporate Code of Conduct. *The Company is committed to the policy that no one will be subject to retaliation because of a good faith report of a concern or complaint regarding financial statement disclosures, accounting, internal accounting controls or auditing matters or any suspected violation of Company policy or the law.*
2. Non-employees may communicate concerns and complaints regarding financial statement disclosures, accounting, internal accounting controls or auditing matters to HEI's Compliance Officer by regular mail at the following address: HEI Compliance Officer, P.O. Box 730, Honolulu, Hawaii 96808-0730.
3. The Company shall forward to the Audit Committee of the Board of Directors any complaints that it has received regarding financial statement disclosures, accounting, internal accounting controls or auditing matters.
4. Any employee of the Company may submit, on a confidential, anonymous basis if the employee so desires, any concerns regarding financial statement disclosures, accounting, internal accounting controls or auditing matters by setting forth such concerns in writing and forwarding them in a sealed envelope to the Chair of the Audit Committee, in care of the HEI Corporate Secretary, such envelope to be labeled with a legend such as: "To be opened by the Audit Committee only." If an employee would like to discuss any matter with the Audit Committee, the employee should indicate this in the submission and include a telephone number at which he or she might be contacted if the Audit Committee deems it appropriate. Any such envelopes received by the HEI Corporate Secretary shall be forwarded promptly to the Chair of the Audit Committee. Upon receipt of any complaint or concern with respect to HECO or American Savings Bank, F.S.B. ("ASB"), the Chair of the Audit Committee shall promptly forward a copy of the complaint or concern to the chair of the audit committee of HECO or ASB, as appropriate. The Company will maintain the confidentiality of such reports to the extent reasonably possible.
5. The Company informs employees of their obligation to report and the procedures by which to report concerns regarding financial statement disclosures, accounting, internal accounting controls or auditing matters in the Corporate Code of Conduct, which is distributed to all employees and is available on the Company's Internet website, and in this Annex to the Charter, which is available on the Company's Internet website.
6. At each of its meetings, including any special meeting called by the Chair of the Audit Committee following the receipt of any information pursuant to this Annex, the Audit Committee shall review and consider any such complaints or concerns that it has received and take any action that it deems appropriate in order to respond thereto, *provided, however*, that the Chair of the Audit Committee will consult with the chair of the audit committee of HECO or ASB, as appropriate,

before any decision is made with respect to the handling of a complaint or concern involving either of those companies.

7. The Audit Committee shall retain any such complaints or concerns for a period of no less than 7 years.
8. This Annex A shall appear on the Company's website as part of this Charter.

Superseding Revised Sheet No. 50  
Effective January 1, 2006

REVISED SHEET No. 50  
Effective January 1, 2007

MAUI DIVISION  
RATE SCHEDULES

The following listed sheets contain all rates in effect on and after the date indicated thereon subject to the Rules and Regulations of the Company applicable thereto:

<u>Sheet</u>	<u>Schedule</u>	<u>Date Effective</u>	<u>Character of Service</u>
(PAGE 50.1 IS NOT ASSIGNED)			
50.2	Firm Capacity Surcharge	January 1, 2007	All Schedules except Schedule "Q"
51	"R"	July 4, 1999	Residential Service
51A	"R"	August 18, 1994	Residential Service
52	"G"	April 15, 1999	General Service Non-Demand
52A	"G"	August 18, 1994	General Service Non-Demand
53	"J"	April 15, 1999	General Service Demand
53A	"J"	May 5, 1997	General Service Demand
54	"H"	April 15, 1999	Commercial Cooking, Heating, Air Conditioning & Refrigeration Service
55	"H"	August 18, 1994	Commercial Cooking, Heating, Air Conditioning & Refrigeration Service
56	"P"	April 15, 1999	Large Power Service
57	"P"	August 18, 1994	Large Power Service
58	"F"	April 15, 1999	Public Street Lighting
59	"F"	August 18, 1994	Public Street Lighting

(PAGE 60 IS NOT ASSIGNED)

MAUI ELECTRIC COMPANY, LIMITED

Docket No. 97-0346, Amended D&O No. 16922  
Transmittal Letter Dated December 28, 2006.

Superseding Revised Sheet No. 50A  
Effective April 1, 2006

REVISED SHEET NO. 50A  
Effective June 1, 2006

MAUI DIVISION  
RATE SCHEDULES

<u>Sheet</u>	<u>Schedule</u>	<u>Date Effective</u>	<u>Character of Service</u>
61	"E"	June 1, 1996	Electric Service for Employees
62	Rider "T"	May 5, 1997	Time-of-Day Service
62A	Rider "T"	August 18, 1994	Time-of-Day Service
63	Rider "I"	August 18, 1994	Interruptible Contract. Service
64	Rider "M"	April 15, 1999	Off-Peak and Curtailable Service
64A	Rider "M"	April 15, 1999	Off-Peak and Curtailable Service
64B	Rider "M"	April 15, 1999	Off-Peak and Curtailable Service
64C	Rider "M"	April 15, 1999	Off-Peak and Curtailable Service

(PAGES 65 - 67 NOT ASSIGNED)

68	"U"	April 15, 1999	Time-of-Use Service
68A	"U"	May 5, 1997	Time-of-Use Service
68B	"U"	August 18, 1994	Time-of-Use Service
69	Energy Cost Adjustment Clause	April 15, 1999	All Schedules Except Schedule Q
69A	Energy Cost Adjustment Clause	April 15, 1999	All Schedules Except Schedule Q
70	IRP Cost Recovery Provision	June 1, 2006	All Schedules Except Schedule Q
71	IRP Cost Recovery Provision	June 1, 2006	All Schedules Except Schedule Q

MAUI ELECTRIC COMPANY, LIMITED

Transmittal Letter Dated May 31, 2006.

Superseding Revised Sheet No. 50B  
Effective January 1, 1999

REVISED SHEET NO. 50B  
Effective April 15, 1999

MAUI DIVISION  
RATE SCHEDULES

<u>Sheet</u>	<u>Schedule</u>	<u>Date Effective</u>	<u>Character of Service</u>
(PAGES 72 - 76 NOT ASSIGNED)			
77	Rider EV-R	April 15, 1999	Residential Electric Vehicle Charging Service
77A	Rider EV-R	April 15, 1999	Residential Electric Vehicle Charging Service
78	Rider EV-C	April 15, 1999	Commercial Electric Vehicle Charging Service
78A	Rider EV-C	April 15, 1999	Commercial Electric Vehicle Charging Service
(PAGES 79 - 80 NOT ASSIGNED)			
81	"Q"	April 15, 1999	Purchases From Qualifying Facilities - 100KW or Less
81A	"Q"	April 15, 1999	Purchases From Qualifying Facilities - 100KW or Less
82	Green Pricing Program Provision	January 1, 1999	Green Pricing
82A	Green Pricing Program Provision	January 1, 1999	Green Pricing

MAUI ELECTRIC COMPANY, LIMITED

Superseding Revised Sheet No. 50.2  
Effective January 1, 2006

REVISED SHEET NO. 50.2  
Effective January 1, 2007

MAUI DIVISION  
FIRM CAPACITY SURCHARGE

Supplement To

Schedule "R" - Residential Service  
Schedule "E" - Electric Service For Employees  
Schedule "G" - General Service Non-demand  
Schedule "J" - General Service Demand  
Schedule "H" - Commercial Cooking, Heating, Air  
Conditioning and Refrigeration  
Service  
Schedule "P" - Large Power Service  
Schedule "F" - Public Lighting Service  
Schedule "U" - Time-of-Use Service

All terms and provisions of Schedules "R", "E", "G", "J", "H",  
"P", "F", and "U" are applicable except that the total base  
charges for each billing period shall be decreased by the  
following Firm Capacity Surcharge approved by the Public  
Utilities Commission:

FIRM CAPACITY SURCHARGE :

All Rate Schedules ..... -0.0768 percent

The total base rate charges for the current billing period  
shall include all base rate schedule charges, discounts,  
surcharges and adjustments, excluding the Energy Cost  
Adjustment, Interim Rate Increase, Residential DSM Adjustment,  
Commercial and Industrial DSM Adjustment, and Integrated  
Resource Planning Cost Recovery Adjustment.

ADJUSTMENTS TO SURCHARGE (To be added to Firm Capacity  
Surcharge)

The above Firm Capacity Surcharge is based on refunding the  
firm capacity costs and related revenue taxes totaling  
\$126,213 resulting from the termination of the Pioneer Mill  
Co.'s purchased power contract, over estimated base revenues of  
\$164,314,600 for the period from January 1, 2007 to December 31,  
2007. In order to reconcile any differences that may occur  
between the above costs to be refunded and the amount actually  
refunded from the above surcharge, recorded refund will be  
compared with the above costs on a quarterly basis. If there is  
a variance between the recorded refund from the surcharge and  
the costs to be refunded, a reconciliation adjustment, lagged by  
two months, will be made to the above surcharge.

MAUI ELECTRIC COMPANY, LIMITED

Superseding Revised Sheet No. 51  
Effective April 15, 1999

REVISED SHEET NO. 51  
Effective July 4, 1999

MAUI DIVISION

SCHEDULE "R"

Residential Service

Availability:

Applicable to residential lighting, heating, cooking, air conditioning and power in a single family dwelling unit metered and billed separately by the Company. This schedule does not apply where a residence and business are combined.

Service will be delivered at secondary voltages as specified by the Company.

Rate:

CUSTOMER CHARGE:

Single phase service - per month	\$7.50
Three phase service - per month	\$12.00

NON-FUEL ENERGY CHARGE (To be added to Customer Charge)

All kwhr per month - per kwhr	8.8294¢
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BASE FUEL/ENERGY CHARGE (To be added to Customer Charge and Non-Fuel Energy Charge)

All kwhr per month - per kwhr	4.5937¢
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Minimum Charge:

The minimum monthly charge shall be \$17.00

Apartment House Collection Arrangement:

Any apartment owner having three or more apartments at one location, each apartment being separately metered and billed on the above rate, may elect to accept a discount of ten percent (10%) of the amount of the bills rendered for each apartment, but not to exceed \$6.50 per month for each apartment, upon entering into the following collection agreement with the Company under the following terms and conditions:

- 1) All accounts shall be kept in the name of the apartment house owner who shall assume the responsibility for the prompt payment of all bills.

MAUI ELECTRIC COMPANY, LIMITED

Superseding Revised Sheet No. 51A  
Effective October 21, 1993

REVISED SHEET NO. 51A  
Effective August 18, 1994

SCHEDULE "R" (continued)

- 2) All accounts shall remain active at all times and, though vacant, shall be subject to the minimum charge. Individual apartments cannot be added or deleted from this agreement more often than once in twelve months.
- 3) The Company will render individual bills for each apartment on a regular billing period basis and will also furnish a statement showing gross and net billings.

Energy Cost Adjustment Clause:

The energy cost adjustment provided in the Energy Cost Adjustment Clause shall be added to the Customer, Demand, and Energy Charges.

Integrated Resource Planning Cost Recovery Clause:

The Integrated Resource Planning Adjustment provided in the Integrated Resource Cost Recovery Clause shall be added to the Customer, Demand, and Energy Charges, and energy cost adjustment.

Rules and Regulations:

Service supplied under this rate shall be subject to the Rules and Regulations of the Company.

MAUI ELECTRIC COMPANY, LIMITED



Superseding Revised Sheet No. 52  
Effective May 5, 1997

REVISED SHEET NO. 52  
Effective April 15, 1999

MAUI DIVISION

SCHEDULE "G"

General Service Non-Demand

Availability:

Applicable to general light and/or power loads less than or equal to 5000 kwh per month, and less than or equal to 25 kilowatts, and supplied through a single meter.

If a customer's usage exceeds 5000 kwh per month or in the opinion of the Company exceeds 25 kw of demand three times in a twelve-month period, a demand meter will be installed and the customer's billing will be transferred to Schedule "J" beginning with the next convenient billing period.

Service will be delivered at secondary voltages as specified by the Company, except that where the nature or location of the customer's load makes delivery at secondary voltage impractical, the Company may, at its option, deliver the service at a nominal primary voltage as specified by the Company. Service supplied at primary voltage shall be subject to the special terms and conditions set forth below.

Rate:

CUSTOMER CHARGE:

Single phase service - per month	\$21.00
Three phase service - per month	\$36.00

ENERGY CHARGE: (To be added to Customer Charge)

All kwhr per month - per kwhr	14.5656 cents
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Minimum Charge:

Single phase service - per month	\$26.00
Three phase service - per month	\$41.00

Primary Supply Voltage Service:

Where, at the option of the Company, service is delivered and metered at the primary supply line voltage, the above energy charges will be decreased by 2.0%. When customers' transformers are adjacent to the delivery point, the Company may permit the customer to be metered at a single point on the secondary side of his transformers where such point is approved by the Company. When the energy is metered on the secondary side of the customers' transformers, the above energy charge will be decreased by 1.0%.

MAUI ELECTRIC COMPANY, LIMITED

SHEET NO. 52A  
Effective August 18, 1994

Schedule "G" (continued)

Energy Cost Adjustment Clause:

The energy cost adjustment provided in the Energy Cost Adjustment Clause shall be added to the Customer, Demand, and Energy Charges.

Integrated Resource Planning Cost Recovery Clause:

The Integrated Resource Planning Adjustment provided in the Integrated Resource Cost Recovery Clause shall be added to the Customer, Demand, and Energy Charges, and energy cost adjustment.

Rules and Regulations:

Service supplied under this rate shall be subject to the Rules and Regulations of the Company.

MAUI ELECTRIC COMPANY, LIMITED

Superseding Revised Sheet No. 53  
Effective May 5, 1997

REVISED SHEET NO. 53  
Effective April 15, 1999

MAUI DIVISION

SCHEDULE "J"

General Service Demand

Availability:

Applicable to general light and/or power loads which exceed 5000 kilowatthours per month three times within a twelve-month period, or 25 kilowatts, and supplied through a single meter.

Rate:

CUSTOMER CHARGE:

Single phase service - per month	\$35.00
Three phase service - per month	\$50.00

DEMAND CHARGE - (To be added to Customer Charge)

All kw of billing demand	\$5.75 per month per kw
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ENERGY CHARGE: (To be added to Customer and Demand Charges)

First	200 kwhr/month/kw of billing demand - per kwhr	12.4165 cents
Next	200 kwhr/month/kw of billing demand - per kwhr	11.4024 cents
All over	400 kwhr/month/kw of billing demand - per kwhr	8.4403 cents

Minimum Charge:

The minimum monthly charge shall be the sum of the Customer and the Demand Charges. The Demand Charge shall be computed with the above demand charge applied to kilowatts of demand, but not less than \$143.75 per month. The kilowatts of demand for the minimum charge calculation each month shall be the highest of the maximum demand for the month, the greatest maximum demand of the preceding eleven months or 25 kw.

Determination of Demand:

The maximum demand for each month shall be the maximum average load in kw during any fifteen-minute period as indicated by a demand meter. The billing demand for each month shall be the maximum demand for such month but not less than 75% of the greatest maximum demand for the preceding eleven months nor less than 25 kw.

MAUI ELECTRIC COMPANY, LIMITED

Superseding Revised Sheet No. 53A  
Effective August 18, 1994

REVISED SHEET NO. 53A  
Effective May 5, 1997

MAUI DIVISION

SCHEDULE "J" (continued)

Power Factor:

For customers with maximum measured demands in excess of 200 kilowatts per month for any one time within a 12-month period, the following power factor adjustment will apply to the energy and demand charges.

For each 1% the average power factor is above or below 85%, the energy and demand charges as computed under the above rates shall be decreased or increased, respectively, by 0.10%. The power factor will be computed to the nearest whole percent.

In no case, however, shall the power factor be taken as more than 100% for the purpose of computing the adjustment.

The average monthly power factor will be determined from the readings of a Kwh meter and a Kvarh meter. The Kvarh meter shall be ratcheted to prevent reversal in the event the power factor is leading any time.

Primary Supply Voltage Service:

Where, at the option of the Company, service is delivered and metered at the primary supply line voltage, the above energy and demand charges will be decreased by 2.0%. When customers' transformers are adjacent to the delivery point, the Company may permit the customer to be metered at a single point on the secondary side of his transformers where such point is approved by the Company. When the energy is metered on the secondary side of the customers' transformers, the above energy and demand charges will be decreased by 1.0%.

Energy Cost Adjustment Clause:

The energy cost adjustment provided in the Energy Cost Adjustment Clause shall be added to the Customer, Demand, and Energy Charges.

Integrated Resource Planning Cost Recovery Clause:

The Integrated Resource Planning Adjustment provided in the Integrated Resource Cost Recovery Clause shall be added to the Customer, Demand, and Energy Charges, and energy cost adjustment.

Rules and Regulations:

Service supplied under this rate shall be subject to the Rules and Regulations of the Company.

MAUI ELECTRIC COMPANY, LIMITED

Superseding Revised Sheet No. 54  
Effective May 5, 1997

REVISED SHEET NO. 54  
Effective April 15, 1999

MAUI DIVISION  
SCHEDULE "H"

Commercial Cooking, Heating  
Air Conditioning and Refrigeration Service

Availability:

Applicable to commercial cooking, heating (including heat pump waterheaters), air conditioning and refrigeration service. This schedule applies only where the voltage supplied by the Company is less than 600 volts.

Rate:

CUSTOMER CHARGE:

Single phase service - per month	\$27.00
Three phase service - per month	\$43.00

DEMAND CHARGE: (To be added to Customer Charge)

\$4.50 per month per kw of required kw load, but in no case less than \$4.50 per month.

ENERGY CHARGE: (To be added to Customer and Demand Charges)

All kwhr per month - per kwhr	11.9675 cents
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Minimum Charge:

The minimum monthly charge shall be the sum of Customer and Demand Charges.

Determination of Required kw load:

The required kw load for billing purposes shall be:

A. The sum of:

- 1) The total connected motor load,
- 2) 50% of the connected heating load, exclusive of cooking and all-electric resistance and heat pump waterheating; and
- 3) the connected all-electric waterheating load in excess of one-sixth kilowatt per gallon of storage capacity; or

MAUI ELECTRIC COMPANY, LIMITED

Superseding Revised Sheet No. 55  
Effective October 21, 1993

REVISED SHEET NO. 55  
Effective August 18, 1994

SCHEDULE "H" (continued)

- B. When the load is 25 KW or more the capacity may be determined by measured demand. The maximum demand for each month shall be the maximum average load during any fifteen-minute period as indicated by a demand meter. The demand for each month shall be the maximum demand for such month, the highest demand in the preceding eleven months, or 25 KW, whichever is highest. Measured demand service under this schedule will be referred to as Schedule "K" service.

The required kw load will be determined to the nearest one-tenth kw.

Energy Cost Adjustment Clause:

The energy cost adjustment provided in the Energy Cost Adjustment Clause shall be added to the Customer, Demand, and Energy Charges.

Integrated Resource Planning Cost Recovery Clause:

The Integrated Resource Planning Adjustment provided in the Integrated Resource Cost Recovery Clause shall be added to the Customer, Demand, and Energy Charges, and energy cost adjustment.

Term of Contract:

Not less than one year.

Rules and Regulations:

Service supplied under this rate shall be subject to the Rules and Regulations of the Company.

MAUI ELECTRIC COMPANY, LIMITED

Superseding Revised Sheet No. 56  
Effective May 5, 1997

REVISED SHEET NO. 56  
Effective April 15, 1999

MAUI DIVISION  
SCHEDULE "P"

Large Power Service

Availability:

Applicable to large light and/or power service supplied and metered at a single voltage and delivery point.

Rate:

CUSTOMER CHARGE - per month \$225.00

DEMAND CHARGE - (To be added to Customer Charge)

First	500 kw of billing demand	\$8.50 per month per kw
Over	500 kw of billing demand	\$8.00 per month per kw

ENERGY CHARGE - (To be added to Customer and Demand Charges)

First	200 kwhr/month/kw of billing demand - per kwhr	10.9997¢
Next	200 kwhr/month/kw of billing demand - per kwhr	9.4576¢
All over	400 kwhr/month/kw of billing demand - per kwhr	7.7456¢

Minimum Charge:

The minimum monthly charge shall be the sum of the Customer and the Demand Charges. The demand charge shall be computed with the above demand charges applied to kilowatts of demand. The kilowatts of demand for the minimum charge calculation each month shall be the highest of the maximum demand for the month, the greatest maximum demand of the preceding eleven months, or the minimum billing demand specified below.

Determination of Demand:

The maximum demand for each month shall be the maximum average load in kw during any fifteen-minute period as indicated by a demand meter. The billing demand for each month shall be the maximum demand for such month or the mean of current monthly maximum demand and the greatest maximum demand for the preceding eleven months, whichever is the higher, but not less than the minimum billing demand of 200 kw.

Power Factor:

The above demand and energy charges are based upon an average monthly power factor of 85%. For each 1% the average power factor is above or below 85%, the monthly bill as computed under the demand and energy charges shall be decreased or increased, respectively, by 0.10%. The power factor will be computed to the nearest whole percent.

MAUI ELECTRIC COMPANY, LIMITED

Superseding Revised Sheet No. 57  
Effective October 21, 1993

REVISED SHEET NO. 57  
Effective August 18, 1994

SCHEDULE "P" (continued)

In no case, however, shall the power factor be taken as more than 100% for the purpose of computing the adjustment.

The average monthly power factor will be determined from the readings of a Kwh meter and Kvarh meter. The Kvarh meter shall be ratcheted to prevent reversal in the event the power factor is leading at any time.

Special Terms and Conditions:

Supply Voltage Delivery:

If the customer takes delivery at the Company's supply line voltage, the demand and energy charges will be decreased as follows:

Transmission voltage supplied without further transformation 4.9%  
Distribution voltage supplied without further transformation 2.0%

Metering will normally be at the delivery voltage. When customer's transformers are adjacent to the delivery point, the customer may elect to be metered at a single point on the secondary side of his transformers where such point is approved by the Company. When the energy is metered on the secondary side of the customer's transformers, the above decreases will be 3.9% and 1.0%, respectively.

Energy Cost Adjustment Clause:

The energy cost adjustment provided in the Energy Cost Adjustment Clause shall be added to the Customer, Demand, and Energy Charges.

Integrated Resource Planning Cost Recovery Clause:

The Integrated Resource Planning Adjustment provided in the Integrated Resource Cost Recovery Clause shall be added to the Customer, Demand, and Energy Charges, and energy cost adjustment.

Term of Contract:

Not less than one year.

Rules and Regulations:

Service supplied under this rate shall be subject to the Rules and Regulations of the Company.

MAUI ELECTRIC COMPANY, LIMITED



Superseding Revised Sheet No. 58  
Effective May 5, 1997

REVISED SHEET NO. 58  
Effective April 15, 1999

MAUI DIVISION

SCHEDULE "F"

Public Street Lighting

Availability:

Applicable to public street and highway lighting service supplied on the Island of Maui where the Company owns, maintains and operates the street lighting facilities.

Rate:

ENERGY CHARGE:

First 150 kwhr/month/kw of billing demand - per kwhr 15.1733¢  
All over 150 kwhr/month/kw of billing demand - per kwhr 10.6753¢

FIXTURE CHARGE (To be added to the Energy Charge):

150 or 300 Watt Incandescent	\$6.00 per unit per month
250 Watt Mercury	\$11.00 per unit per month
400 Watt Mercury	\$11.00 per unit per month
100 Watt High Pressure Sodium	\$11.00 per unit per month
150 Watt High Pressure Sodium	\$11.00 per unit per month
250 Watt High Pressure Sodium	\$11.00 per unit per month

Minimum Charge:

Fixture Charge + \$25.00 per month.

Terms and Conditions:

1. Determination of Energy:

Standard service on and after May 15, 1976 will be unmetered dusk-to-dawn service. For the unmetered installations, the demand shall be the connected load of the lamp and appurtenances in kilowatts to the nearest 1/10. The kilowatthours shall be the connected load times 340. The demand of metered installations may be by demand or by test.

2. Standard Equipment Furnished:

Bracket or mast arm construction will be furnished and attached to existing wooden poles and secondary voltage.

MAUI ELECTRIC COMPANY, LIMITED

Superseding Revised Sheet No. 59  
Effective October 21, 1993

REVISED SHEET NO. 59  
Effective August 18, 1994

SCHEDULE "F" (Continued)

3. Other Than Standard Equipment:

Where the customer requests the installation of other than the standard equipment be furnished by the Company, including underground facilities and such requested equipment is acceptable to the Company, the Company will install the requested equipment provided the customer agrees to make a contribution of the estimated difference in cost installed between such equipment and standard equipment.

Contribution made for this purpose will not be refunded. Where the customer requests fixtures to be installed on electroliers or other ornamental standards that are acceptable to the Company, in lieu of making the contribution, the customer may elect to pay added facilities charge of 1-3/4% per month of the added investment required for such facilities. Facilities installed in connection with such agreements become and remain the sole property of the utility.

4. Replacement Cost:

Where the customer requests an existing street lighting fixture or electrolier be replaced with another type, the customer shall make a contribution of the estimated cost of the new equipment installed plus the cost of the removal of the existing equipment.

Energy Cost Adjustment Clause:

The energy cost adjustment provided in the Energy Cost Adjustment Clause shall be added to the Customer, Demand, and Energy Charges.

Integrated Resource Planning Cost Recovery Clause:

The Integrated Resource Planning Adjustment provided in the Integrated Resource Cost Recovery Clause shall be added to the Customer, Demand, and Energy Charges, and energy cost adjustment.

Rules and Regulations:

Service supplied under this rate shall be subject to the Rules and Regulations of the Company.

MAUI ELECTRIC COMPANY, LIMITED

Superseding SHEET NO. 61  
Effective May 15, 1976

REVISED SHEET NO. 61  
Effective June 1, 1996

MAUI DIVISION

SCHEDULE "E"

Electric Service for Employees

Availability:

Applicable to all regular full-time Company employees, Company retirees, members of the Company Board of Directors, and retirees of Hawaiian Electric Company, Inc. and Hawaii Electric Light Company, Inc. who retired on or after January 1, 1996 and who are served by Maui Electric Company, Ltd. This schedule is applicable to the above customers' residential electric service in a single family dwelling unit metered and billed separately by the Company, subject to the Special Terms and Conditions specified below. This schedule does not apply where a residence and business are combined.

Rate:

The rates applicable to service under this schedule shall be two-thirds (2/3) of the current effective Schedule R rates - Residential Service, for usage up to 825 kwh per month. Energy usage above 825 kwh shall be billed the full Schedule R energy rates.

Special Terms and Conditions:

1. "Regular full-time Company employee" is defined as an employee who has successfully completed any required probationary requirements, is hired for an indefinite period, and who works no less than 40 hours per week.
2. This schedule is applicable only to primary residences.
3. Availability of this schedule terminates six months after death of eligible employee, retiree, or member of the Board of Directors.

Rules and Regulations:

Service supplied under this schedule shall be subject to the Rules and Regulations of the Company.

MAUI ELECTRIC COMPANY, LIMITED

Superseding Sheet No. 62  
Effective August 18, 1994

REVISED SHEET NO. 62  
Effective May 5, 1997

MAUI DIVISION

RIDER T  
TIME-OF-DAY RIDER

AVAILABILITY:

This rider is available to customers on rate Schedule "J", "K", or "P" but cannot be used in conjunction with the load management Rider M or Schedule U.

TIME-OF-DAY RATING PERIODS:

The time-of-day rating periods under this Rider shall be as follows:

On-Peak Period: 7:00 a.m. - 9:00 p.m., Daily  
Off-Peak Period: 9:00 p.m. - 7:00 a.m., Daily

RATE:

The rate(s) for service under this Rider including the Customer Charge, Energy Charge, and Demand Charge shall be as specified in the regular rate schedule, except that the following charges shall be added:

TIME-OF-DAY METERING CHARGE - per month           \$10.00

TIME-OF-DAY ENERGY CHARGE ADJUSTMENTS:

On-Peak Energy Surcharge - all on-peak kwh + 2.0 cents/kwh  
Off-Peak Energy Credit - all off-peak kwh - 3.0 cents/kwh

MINIMUM CHARGE:

The Minimum Charge shall be as specified under the regular rate schedule except that it shall include the Time-of-Day Metering Charge. In addition, the average energy charge computed from the regular energy charge and the above Time-of-Day energy charge adjustments including the energy cost adjustment, cannot be lower than the off-peak avoided energy cost at the metering point.

DETERMINATION OF DEMAND:

The Determination of Demand shall be as specified in the regular rate schedule, except that only the on-peak Kw demand shall be used in the determination of the kilowatts of billing demand for the Demand Charge, the regular Energy Charge and the Minimum Charge calculations.

MAUI ELECTRIC COMPANY, LIMITED

Superseding Sheet No. 62A  
Effective June 18, 1987

REVISED SHEET NO. 62A  
Effective August 18, 1994

MAUI DIVISION

Rider T (Continued)

VOLTAGE SERVICE AND POWER FACTOR ADJUSTMENTS:

The voltage service and power factor adjustments shall be as specified in the regular rate schedule.

MEASUREMENT OF TIME-OF-DAY ENERGY AND DEMAND:

The Company shall install a time-of-use meter to measure the customer's energy consumption and peak kw demand during the time-of-day rating periods.

TERMS OF AGREEMENT:

The customer applying for service under this Rider shall sign a standard Rider T agreement form with the Company. Service under this Rider shall not be less than five years. The customer may terminate service under this Rider during the first six months without penalty. If the customer terminates service after the first six months but before the end of the first five-year period which begins from the start date of the customer's service under this Rider, the customer shall be charged a termination fee equal to the amount of the last six months of discount received under this Rider.

MAUI ELECTRIC COMPANY, LIMITED

Superseding Sheet No. 63  
Effective January 26, 1982

REVISED SHEET NO. 63  
Effective August 18, 1994

MAUI DIVISION

RIDER "I"

Interruptible Contract Service

Availability:

This Rider is applicable to service supplied and metered at a single voltage and delivery point where 500 kw or greater is subject to disconnection by the utility under the terms and conditions as set forth in the contract agreement.

Rates:

Reduction in demand charge as set forth in a contract between the customer and the utility and approved by the Public Utilities Commission.

Term of Contract:

Not less than five years.

MAUI ELECTRIC COMPANY, LIMITED

Superseding Revised Sheet No. 64  
Effective May 5, 1997

REVISED SHEET NO. 64  
Effective April 15, 1999

MAUI DIVISION

RIDER "M"

Off-Peak and Curtailable Service

Availability:

This Rider is available to service supplied in rate Schedule "J" or "P" whose maximum measured demands prior to any load modifications effected under this rider, exceed 100 and 300 kilowatts, respectively. This rider cannot be used in conjunction with Rider T, Rider I, or Schedule U.

Rates:

A. Basic Rates

The rates for service under this Rider shall be as specified under the regular Schedule "J" or "P", whichever is applicable except that the Minimum Charge and the determination of billing demand used in the calculation of demand and energy charges shall be as defined below, subject to the requirements of the Determination of Demand provision of the applicable rate schedule.

The customer shall select Option A - Off-Peak Service or Option B - Curtailable Service:

OPTION A - OFF-PEAK SERVICE

- 1) Any demand occurring during the off-peak period shall not be considered in determining the billing kW demand for each month, but shall be used in determining the excess off-peak charge. Only the maximum kW demand occurring during the on-peak period shall be used in the determination of the billing kW demand for the calculation of the demand charge, energy charge and minimum charge as specified in the regular Schedule J or P.
- 2) An Excess Off-Peak Charge of \$1.00 per kilowatt shall be added to the regular rate schedule charges for each kilowatt that the maximum off-peak demand exceeds the maximum demand during the on-peak period.
- 3) For calculation of the excess off-peak charge for each month, the maximum off-peak demand and maximum demand during the on-peak period shall be the highest measured demands during the respective periods for such month.

MAUI ELECTRIC COMPANY, LIMITED

Superseding Revised Sheet No. 64A  
Effective May 5, 1997

REVISED SHEET NO. 64A  
Effective April 15, 1999

MAUI DIVISION

RIDER "M" (continued)

- 4) The time-of-use rating periods shall be defined as follows:

On-Peak Period	7 a.m. - 9 p.m.	Fourteen hours Daily
Off-Peak Period	9 p.m. - 7 a.m.	Ten continuous hours Daily
- 5) The monthly minimum charge shall be the sum of the customer charge and demand charge in the applicable rate schedule, and the Excess Off-Peak Charge and Time-of-Day Metering Charge specified below.

OPTION B: CURTAILABLE SERVICE:

- 1) A customer who chooses curtailable service shall curtail its kW load during the Company's curtailment hours, and shall specify the curtailable kW load. This curtailable load must be load that is normally operated during the Company's curtailment hours and must be at least 50 kW and 150 kW of load under Schedules "J" and "P" respectively. The Company may install a meter to measure the customer's curtailable load prior to the start of curtailable service under this Rider.
- 2) For billing purposes, the curtailed kW demand shall be determined monthly as the difference between the maximum kW demand outside of the curtailment hours and the maximum kW demand during the curtailment hours measured for each month, but not to exceed the curtailable kW load specified in the customer's Rider M contract.
- 3) The customer shall choose one of the curtailment periods specified below. The billing demand under this curtailable service option shall be the normal billing demand under Schedule "J" or "P" reduced by:
  - Option 1) 75% of the curtailed demand if the curtailment hours are the Company's priority peak period defined from 5:00 p.m. to 9 p.m., Monday through Friday; or
  - Option 2) 40% of the curtailed kilowatt demand if the curtailment hours are two (2) consecutive hours as specified by the Company.

MAUI ELECTRIC COMPANY, LIMITED



Superseding Revised Sheet No. 64B  
Effective May 5, 1997

REVISED SHEET NO. 64B  
Effective April 15, 1999

MAUI DIVISION

RIDER "M" (continued)

- 4) The monthly minimum charge shall be the sum of the customer charge and demand charge in the applicable rate schedule, and the Time-of-Day Metering Charge specified below.

Where the Company specifies the curtailment hours, the Company shall give the customer at least 30 days notice prior to changing the curtailment hours.

B. TIME-OF-DAY METERING CHARGE:

The Company shall install a time-of-use meter to measure the customer's maximum kW load during the time-of-day rating periods and curtailment hours.

An additional time-of-day metering charge of \$10 per month shall be assessed to cover the additional cost of installing, operating, and maintaining a time-of-use meter.

C. TERMS OF CONTRACT:

1. The initial term of contract shall be at least 3 years. Thereafter, the contract will be automatically renewed in 3-year increments until terminated by either party by a 30-day written notice.
2. A customer applying for service under this Rider shall sign a standard Rider M contract form with the Company.
3. The customer shall be allowed to take service under this Rider for a six-month trial period without penalty for termination within this period.
4. If the contract is terminated after the six-month trial period, but prior to the end of the initial contract term, the customer shall be assessed a termination charge equal to the last six months discount received under this Rider.

MAUI ELECTRIC COMPANY, LIMITED

SHEET NO. 64C  
Effective April 15, 1999

MAUI DIVISION

RIDER "M" (continued)

5. The customer may request a change of Rider options (Option A - Off-Peak Service or Option B - Curtailable Service) or curtailment hours by providing a 30-day written notice to the Company. The change will become effective after the next regular meter reading following the receipt of such written notice by the Company, provided however, the Company may not be required to make such change until 12 months of service has been rendered after the last change, unless a new or revised Rider has been authorized, or unless a customer's operating conditions have altered so as to warrant such a change.
6. If under the curtailable service option the customer fails to curtail his demand during the curtailment hours three times within a twelve-month period, the Company may terminate the Rider M contract by a 30-day written notice to the customer. If the Rider M contract is terminated due to the customer's failure to curtail load, the customer may be assessed a termination charge equal to the last six months discount received under this Rider.
7. Service supplied under this Rider shall be subject to the Rules and Regulations of the Company.

MAUI ELECTRIC COMPANY, LIMITED

Superseding Sheet No. 68  
Effective May 5, 1997

REVISED SHEET NO. 68  
Effective April 15, 1999

MAUI DIVISION  
SCHEDULE U  
TIME-OF-USE SERVICE

AVAILABILITY:

Applicable to general light and/or power loads which exceed 25 kilowatts per month and supplied and metered at a single voltage and delivery point. This Schedule cannot be used in conjunction with load management Riders "M", "T", and "I".

TIME-OF-DAY RATING PERIODS:

The time-of-day rating periods shall be as follows:

On-Peak Period: 7:00 a.m. - 9:00 p.m., daily  
Off-Peak Period: 9:00 p.m. - 7:00 a.m., daily

RATE:

CUSTOMER CHARGE - per month \$100.00

DEMAND CHARGE - (To be added to Customer Charge)

All On-Peak Kw of billing demand - per month \$25.00 per kw

ENERGY CHARGE - (To be added to Customer and Demand Charges)

All On-Peak Kwhr per month	- per Kwhr	12.4165 cents
All Off-Peak Kwhr per month	- per Kwhr	7.7456 cents

Minimum Charge:

The monthly minimum charge shall be the sum of the Customer and the Demand Charges. The Demand Charge shall be computed with the above demand charge applied to kilowatts of demand. The kilowatts of billing demand for the minimum charge calculation for each month shall be the highest of the maximum on-peak demand for such month, but not less than 25 kw.

MAUI ELECTRIC COMPANY, LIMITED

Superseding Sheet No. 68A  
Effective August 18, 1994

REVISED SHEET NO. 68A  
Effective May 5, 1997

MAUI DIVISION

Schedule "U" (Continued)

DETERMINATION OF TIME-OF-USE ENERGY AND DEMAND:

The Company shall install a time-of-use meter to measure the customer's energy consumption and peak load during the time-of-day rating periods. The maximum demand for the rating periods for each month shall be the maximum average load in kilowatts during any fifteen-minute period as indicated by a time-of-use meter. The on-peak kilowatts of billing demand for each month shall be the maximum on-peak demand for such month, but not less than 25 kilowatts.

Power Factor:

For customers with demands in excess of 200 kilowatts, the following power factor adjustment will apply to the energy and demand charges.

The above energy and demand charges are based upon an average monthly power factor of 85%. For each 1% the average power factor is above or below 85%, the monthly energy and demand charges as computed under the above rates shall be decreased or increased, respectively, by 0.10%

The average monthly power factor will be determined from the readings of a Kwh meter and kVarh meter, and will be computed to the nearest whole percent and not exceeding 100% for the purpose of computing the adjustment. The kVarh meter shall be ratcheted to prevent reversal in the event the power factor is leading at any time.

Special Terms and Conditions:

Supply Voltage Delivery:

If the customer takes delivery at the Company's supply line voltage, the demand and energy charges will be decreased as follows:

Transmission voltage supplied without further transformation 4.9%  
Distribution voltage supplied without further transformation 2.0%

Metering will normally be at the delivery voltage. When the customer's transformers are adjacent to the delivery point, the customer may elect to be metered at a single point on the secondary side of his transformers where such point is approved by the Company. When the energy is metered on the secondary side of the customer's transformers, the above decreases will be 3.9% and 1.0%, respectively.

MAUI ELECTRIC COMPANY, LIMITED

SHEET NO. 68B  
Effective August 18, 1994

MAUI DIVISION

Schedule "U" (Continued)

Energy Cost Adjustment Clause:

The energy cost adjustment provided in the Energy Cost Adjustment Clause shall be added to the Customer, Demand, and Energy Charges.

Integrated Resource Planning Cost Recovery Clause:

The Integrated Resource Planning Adjustment provided in the Integrated Resource Cost Recovery Clause shall be added to the Customer, Demand, and Energy Charges, and energy cost adjustment.

Term of Contract:

Not less than one year.

Rules and Regulations:

Service supplied under this rate shall be subject to the Rules and Regulations of the Company.

MAUI ELECTRIC COMPANY, LIMITED

Superseding Sheet No. 69  
Effective May 5, 1997

REVISED SHEET NO. 69  
Effective April 15, 1999

MAUI DIVISION

ENERGY COST ADJUSTMENT CLAUSE

Applicable To

Schedule "R" - Residential Service  
Schedule "E" - Electric Service For Employees  
Schedule "G" - General Service - Non Demand  
Schedule "J" - General Service - Demand  
Schedule "H" - Commercial Cooking, Heating, Air  
                    Conditioning and Refrigeration Service  
Schedule "P" - Large Power Service  
Schedule "F" - Public Street Lighting  
Schedule "U" - Time-of-Use Service

All terms and provisions of Schedules "R", "E", "G", "J", "H", "P", "F" and "U" are applicable, except that the Energy Cost Adjustment described below will be added to the customer bills.

All base rate schedule discounts, surcharges, and all other adjustments will not apply to the energy cost adjustment.

Energy Cost Adjustment Clause:

This Energy Cost Adjustment Clause shall include the following:

FUEL AND PURCHASED ENERGY - The above rates are based on a cost of fuel for Company generation of 369.60 cents per million Btu for fuel delivered in its service tanks and a cost for purchased energy of 5.028 cents per kilowatthour. Company-generated energy from non-fuel sources shall be considered as zero fuel cost in the determination of the composite fuel cost. When the Company-generated net energy cost is more or less than 369.60 cents per million Btu, and/or the purchased energy cost is more or less than 5.028 cents per kilowatthour, there shall be a corresponding adjustment to the base charges. This Adjustment shall be comprised of a Company Generation Component and a Purchased Energy Component.

The Company Generation Component shall be the difference in current generation cost and base generation cost, adjusted for additional revenue taxes. The current generation cost shall be determined by the current fuel cost in cents per million Btu multiplied by a generation conversion factor of 0.011032 million Btu per kilowatthour, weighted by the proportion of current Company generation to total system net energy in kilowatthours. The base generation cost is the base fuel cost of 369.60 cents per million

MAUI ELECTRIC COMPANY, LIMITED

Superseding Sheet No. 69A  
Effective May 5, 1997

REVISED SHEET NO. 69A  
Effective April 15, 1999

MAUI DIVISION

Energy Cost Adjustment Clause (Continued)

Btu multiplied by a generation conversion factor of 0.011032 million Btu per kilowatthour, weighted by the proportion of the 1999 test year generation to total system energy in kilowatthours.

The Purchased Energy Component shall be the difference between (1) the current purchased energy cost weighted by the proportion of current purchased energy to total system net energy, and (2) the base purchased energy cost of 5.028 cents per kilowatthour weighted by the proportion of the 1999 test year purchased energy to total system net energy, adjusted to the sales delivery level and for additional revenue taxes. The Energy Cost Adjustment Factor shall be the sum of the Generation Component and the Purchased Energy Component.

The revenue tax requirement shall be calculated using current rates of the Franchise Tax, Public Service Company Tax, and Public Utility Commission fee.

The Adjustment shall be effective on the date of cost change. When a cost change occurs during a customer's billing period, the Adjustment will be prorated for the number of days each cost was in effect.

This Energy Cost Adjustment Clause is consistent with the terms of the Company's operations and purchased energy contracts and may be revised to reflect any revisions or changes in operations and the purchased energy contracts, subject to approval by the Commission.

Reconciliation Adjustment:

In order to reconcile any differences that may occur between recorded and forecasted Energy Cost Adjustment Clause revenues, the year-to-date recorded revenue from the Energy Cost Adjustment Clause will be compared with the year-to-date revenue expected from the Energy Cost Adjustment Clause on a quarterly basis. If there is a variance between the recorded Energy Cost Adjustment Clause revenue and the expected Energy Cost Adjustment Clause revenue, an adjustment, lagged by two months, shall be made to the Energy Cost Adjustment Factor to reconcile the revenue variance over the sales estimated for the subsequent quarter.

MAUI ELECTRIC COMPANY, LIMITED

Superseding Revised Sheet No. 70  
Effective April 1, 2006

REVISED SHEET NO. 70  
Effective June 1, 2006

MAUI DIVISION

INTEGRATED RESOURCE PLANNING  
COST RECOVERY PROVISION

Supplement To

Schedule R - Residential Service  
Schedule E - Electric Service For Employees  
Schedule G - General Service Non-Demand  
Schedule J - General Service Demand  
Schedule H - Commercial Cooking, Heating, Air  
Conditioning, and Refrigeration Service  
Schedule P - Large Power Service  
Schedule F - Public Street Lighting  
Schedule U - Time of Use Service

All terms and provisions of Schedules "R", "E", "G", "J", "H", "P", "F", and "U", are applicable except that the total base rate charges for each billing period shall be increased by the following Integrated Resource Planning Cost Recovery Adjustment, Residential Demand-Side Management (DSM) Adjustment, and Commercial and Industrial Demand-Side Management (DSM) Adjustment:

A: INTEGRATED RESOURCE PLANNING COST RECOVERY ADJUSTMENT:

All Rate Schedules ..... 0.500 percent

The total base rate charges for all rate schedules shall be increased by the above Integrated Resource Planning Cost Recovery Adjustment, which is based on the recovery of the 2005 IRP Planning Costs, and the reconciliation of the 2004 IRP Costs, including interest and taxes, of \$831,711 as approved by the Public Utilities Commission.

The total base rate charges for the current billing period shall include all base rate schedule charges, discounts, surcharges, or base rate adjustments, excluding the Energy Cost Adjustment, Firm Capacity Adjustment, Firm Capacity Surcharge Adjustment, Residential DSM Adjustment, and Commercial and Industrial DSM Adjustment.

B: Residential Demand-Side Management (DSM) Adjustment:

Schedule R ..... 0.7693 ¢/kwh

The total residential monthly bill shall include the above Residential DSM adjustment applied to all kwh per month. The above Residential DSM adjustment is based on recovering the total cost of \$3,539,989 for the 2006 residential program costs, lost revenue margins and revenue taxes, the 2005 shareholder incentives, and the reconciliation of the 2005 program cost recovery including reconciled lost revenue margins and revenue taxes, for which recovery has been approved by the Public Utilities Commission.

MAUI ELECTRIC COMPANY, LIMITED

Transmittal Letter Dated May 31, 2006.



Superseding Revised Sheet No. 71  
Effective April 1, 2006

REVISED SHEET NO. 71  
Effective June 1, 2006

MAUI DIVISION

INTEGRATED RESOURCE PLANNING COST RECOVERY PROVISION - Continued

C: Commercial and Industrial Demand-Side Management (DSM) Adjustment:

Schedules G, J, H, P, U - per kwh .....0.6989 ¢/kwh

The total monthly bill for Schedules G, J, H, P, and U customers shall include the above Commercial and Industrial DSM adjustment applied to all kwh per month. The above adjustment is based on recovering \$5,473,545 for the 2006 C&I program costs, lost revenue margins and revenue taxes, the 2005 shareholder incentives, and the reconciliation of the 2005 program cost recovery including reconciled lost revenue margins and revenue taxes, for which recovery has been approved by the Public Utilities Commission.

RECONCILIATION ADJUSTMENT (To be added to Integrated Resource Planning Cost Recovery Adjustment, Residential DSM Adjustment, and Commercial and Industrial DSM Adjustment):

In order to reconcile any differences that may occur between the above costs to be recovered and the revenues received from the above adjustments, recorded revenues will be compared with the above costs. The Integrated Resource Planning Cost Recovery Adjustment, the Residential DSM Adjustment and the Commercial and Industrial DSM Adjustment will be reconciled annually. If there is a variance between the recorded revenues from the adjustments and the costs to be recovered, a reconciliation adjustment, lagged by two months, will be made to the above adjustments.

MAUI ELECTRIC COMPANY, LIMITED

Transmittal Letter Dated May 31, 2006.

SHEET NO. 77  
Effective April 15, 1999

MAUI DIVISION

RIDER EV-R

RESIDENTIAL ELECTRIC VEHICLE CHARGING SERVICE

AVAILABILITY:

This Rider is applicable to electric charging service of on-road electric vehicles by residential customers. Electric vehicle charging service under this Rider shall be separately metered from residential power service served under Schedule R, and shall be supplied at a secondary voltage as specified by the Company.

RATES:

TIME-OF-USE METERING CHARGE - per month \$5.00

TIME-OF-USE ENERGY CHARGE:

On-Peak Energy Charge - per on-peak Kwh 13.4231 cents  
Off-Peak Energy Charge - per off-peak Kwh 8.3106 cents

MINIMUM CHARGE:

The Minimum Charge shall be the Time-of-Use Metering Charge.

DETERMINATION OF TIME-OF-USE ENERGY USAGE:

The Company shall install time-of-use metering equipment to measure the customer's electric vehicle charging kilowatthour usage by time-of-day rating periods defined below.

TIME-OF-USE RATING PERIODS:

The Time-of-Day rating periods under this Rider shall be as follows:

On-Peak Period: 7:00 a.m. - 9:00 p.m., Daily  
Off-Peak Period: 9:00 p.m. - 7:00 a.m., Daily

MAUI ELECTRIC COMPANY, LIMITED

REVISED 77A  
Effective April 15, 1999

MAUI DIVISION

RIDER EV-R - (continued)

ENERGY COST ADJUSTMENT CLAUSE:

The energy cost adjustment provided in the Energy Cost Adjustment Clause shall be added to the Time-of-Use Metering Charge and Energy Charge.

INTEGRATED RESOURCE PLANNING SURCHARGE:

The Integrated Resource Planning Surcharge shall be added to the Time-of-Use Metering Charge, Time-of-Use Energy Charge, and Energy Cost Adjustment.

RULES AND REGULATIONS:

Service supplied under this Schedule shall be subject to the Rules and Regulations of the Company.

MAUI ELECTRIC COMPANY, LIMITED

SHEET NO. 78  
Effective April 15, 1999

MAUI DIVISION

RIDER EV-C

COMMERCIAL ELECTRIC VEHICLE CHARGING SERVICE

AVAILABILITY:

This Rider is available for electric charging service of on-road electric vehicles by non-residential customers and to businesses that provide electric vehicle charging service to others. Electric vehicle charging service shall be separately metered from other power service served. Service will be delivered at secondary voltages as specified by the Company.

RATES:

TIME-OF-USE METERING CHARGE - per month \$10.00

TIME-OF-USE ENERGY CHARGE - (To be added to Time-of-Use  
Metering Charge)

Non-Demand Service:

On-Peak Energy Charge - per on-peak Kwh 14.5656 cents  
Off-Peak Energy Charge - per off-peak Kwh 10.7466 cents

When the customer's electric vehicle load exceeds 5000 kwh per month or in the opinion of the Company exceeds 25 kw of demand three times in a twelve-month period, a time-of-use demand meter will be installed and the following rates shall apply beginning with the next convenient billing period.

Demand Service:

TIME-OF-USE ENERGY CHARGE - (To be added to Time-of-Use  
Metering Charge)

On-Peak Energy Charge - per on-peak Kwh 12.4165 cents  
Off-Peak Energy Charge - per off-peak Kwh 10.7466 cents

ON-PEAK DEMAND CHARGE - (To be added to Time-of-Use Metering  
and Time-of-Use Energy Charges)

All On-Peak billing demand - per kw per month \$5.75

MAUI ELECTRIC COMPANY, LIMITED

REVISED SHEET NO. 78A  
Effective April 15, 1999

MAUI DIVISION

RIDER EV-C - (continued)

MINIMUM CHARGE:

Non-Demand Service: Time-of-Use Metering Charge.

Demand Service: Sum of Time-of-Use Metering Charge and On-Peak  
Demand Charge.

DETERMINATION OF TIME-OF-USE ENERGY USAGE:

The Company shall install time-of-use metering equipment to measure the customer's electric vehicle charging kilowatt demand and kilowatthour usage by time-of-day rating periods defined below. The on-peak billing kw per month shall be the maximum on-peak demand for such month but not less than 25 kw. The maximum on-peak demand for each month shall be the maximum average on-peak load in kw during any fifteen-minute period as indicated by a time-of-use meter.

TIME-OF-USE RATING PERIODS:

The Time-of-Day rating periods under this Rider shall be as follows:

On-Peak Period:	7:00 a.m. - 9:00 p.m., Daily
Off-Peak Period:	9:00 p.m. - 7:00 a.m., Daily

ENERGY COST ADJUSTMENT CLAUSE:

The energy cost adjustment provided in the Energy Cost Adjustment Clause shall be added to the Time-of-Use Metering Charge and Energy Charge.

INTEGRATED RESOURCE PLANNING SURCHARGE:

The Integrated Resource Planning Surcharge shall be added to the Time-of-Use Metering Charge, Time-of-Use Energy Charge, and Energy Cost Adjustment.

RULES AND REGULATIONS:

Service supplied under this Schedule shall be subject to the Rules and Regulations of the Company.

MAUI ELECTRIC COMPANY, LIMITED

Superseding Revised Sheet No. 81  
Effective May 5, 1997

REVISED SHEET NO. 81  
Effective April 15, 1999

MAUI DIVISION

SCHEDULE "Q"

Purchases From Qualifying Facilities - 100 KW or Less

Availability:

This schedule is available to customers with cogeneration and/or small power production facilities which qualify under the Commission's Rules, Chapter 74 of Title 6, Subchapter 2 with a design capacity of 100 kilowatts or less. Such qualifying facilities (QF's) shall be designed to operate properly in parallel with the Company's system without adversely affecting the operations of its customers and without presenting safety hazards to the Company's or other customer's personnel. The customer shall comply with the Company's requirements for customer generation interconnected with the utility system.

Energy delivered to the customer by the Company will be metered separately from the energy delivered by the customer to the Company.

Rate for Energy Delivered to the Company by Customer

The Company will pay for energy as follows:

All kwh per month - per kwh	4.80 cents
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Metering Charge:

There is a monthly charge to the customer for metering, billing and administration of the interconnection for purchase power as follows:

Single phase service - per month	\$ 5.00
Three phase service - per month	\$10.00

Energy Delivered to the Customer by the Company:

Energy delivered to the customer shall be billed on an applicable Company rate schedule.

System Compatibility:

The customer must deliver electric power at 60 hertz and the same phase and voltage as the customer receives service from the Company.

MAUI ELECTRIC COMPANY, LIMITED

Superseding Revised Sheet No. 81A  
Effective May 5, 1997

REVISED SHEET NO. 81A  
Effective April 15, 1999

MAUI DIVISION

SCHEDULE "Q" (continued)

Interconnection Facilities:

The customer shall furnish, install, operate and maintain facilities such as relays, switches, synchronizing equipment, monitoring equipment and control and protective devices designated by the Company as suitable for parallel operation with the Company system. Such facilities shall be accessible at all times to authorized Company personnel. All designs should be approved by the Company prior to installation.

If additional Company facilities are required or the existing facilities must be modified to accept the QF's deliveries, the QF shall make a contribution for the cost of such additional facilities.

Contract:

The Company shall require a contract specifying technical and operating aspects of parallel generation.

Fuel Clause:

The above rate for energy delivered to the Company by the Customer is based on a cost of fuel for Company generation of 369.60 cents per million Btu for fuel delivered in its service tanks. Effective the first day of January, April, July, and October an Adjustment shall be made to reflect the Company-generated fuel cost on file with the Commission and shall be effective for the following three months.

The Adjustment shall be the sum of the time-weighted on-peak adjustment (14 hours of 24 hours) and off-peak adjustment (10 hours of 24 hours). On-peak and off-peak adjustments shall be determined by the amount of the Company-generated fuel cost increase or decrease (in terms of cents per million Btu) from the base of 369.60 cents per million Btu multiplied by an on-peak heat rate of 12,856 Btu per net kilowatthour and an off-peak heat rate of 11,600 Btu per net kilowatthour.

This Fuel Clause is consistent with the terms of the Company's operations and may be revised to reflect any revisions or changes in operations, subject to approval by the Commission.

MAUI ELECTRIC COMPANY, LIMITED

Superseding Sheet No. 82  
Effective October 23, 1996

REVISED SHEET NO. 82  
Effective January 1, 1999

MAUI DIVISION  
GREEN PRICING PROGRAM PROVISION

AVAILABILITY:

Available to all residents/non-residents of the Island of Maui who wish to make voluntary contributions for the development of renewable energy resources on Maui.

GREEN PRICING PROGRAM:

The objective of the Green Pricing Program is to encourage the development of Hawaii's renewable energy resources. The participant's voluntary contributions under the Green Pricing Program Provision are used to develop renewable energy facilities.

The Company's Sun Power for Schools Pilot Program is a pilot project under which photovoltaic systems are installed on selected public schools on the Island of Maui. The participating school will own the photovoltaic facility and use the energy produced by the system at no cost. Contributions received from the participants in this Green Pricing Program Provision are used to help fund this pilot program.

Other renewable energy projects may be developed in the future as part of the Company's Green Pricing Program, depending on the availability of contributions received from this Green Pricing Program Provision.

VOLUNTARY PARTICIPATION:

1. Participation in the Green Pricing Program through the Green Pricing Program Provision, is voluntary and may be terminated by the participant at any time.
2. Any resident/non-resident of the Island of Maui may contribute to the Green Pricing Program through the Green Pricing Program Provision by completing a standard program sign-up form which indicates the participant's mailing address, electric service account number (if participant is currently a MECO customer), and the contribution payment option desired. The Green Pricing Program Provision contribution payment options are listed below.

MAUI ELECTRIC COMPANY, LIMITED

Transmittal Letter Dated October 8, 1998.



Superseding Sheet No. 82A  
Effective October 23, 1996

REVISED SHEET NO. 82A  
Effective January 1, 1999

MAUI DIVISION

GREEN PRICING PROGRAM PROVISION (Continued)

3. A participant may terminate his/her voluntary contribution to the Green Pricing Program at any time by submitting a written or telephonic request to the Company to terminate participation in the Green Pricing Program Provision.

CONTRIBUTION PAYMENT OPTIONS:

A participant will specify the amount of his/her voluntary contribution (in whole dollars) and shall elect one of the following payment options:

Option 1: Monthly Contribution - the participant will be billed monthly based on the participant's specified dollar contribution amount.

Option 2: One Time Contribution - the participant will be billed one time for one lump sum contribution.

TERMS AND CONDITIONS:

1. Payments received by the Company shall be applied first to the participant's outstanding electric service bill balance, if any, and the remainder shall be applied to the participant's contribution to the Green Pricing Program under the Green Pricing Program Provision.
2. Electric Service will not be terminated if the participant fails to make contribution payments under the Green Pricing Program Provision.
3. The Company may terminate a participant's participation in the Green Pricing Program Provision, if the participant fails to make contribution payments for two (2) consecutive months.
4. The Company's late payment charge shall not apply to the participant's voluntary contributions under the Green Pricing Program Provision.

MAUI ELECTRIC COMPANY, LIMITED

Transmittal Letter Dated October 8, 1998.

Superseding Revised Sheet No. 50D  
Effective May 1, 1999

REVISED SHEET No.50D  
Effective July 4, 1999

LANAI DIVISION  
RATE SCHEDULES

The following listed sheets contain all rates in effect on and after the date indicated thereon subject to the Rules and Regulations of the Company applicable thereto:

<u>Sheet</u>	<u>Schedule</u>	<u>Date Effective</u>	<u>Character of Service</u>
(PAGE 69.2 IS NOT ASSIGNED)			
70	"R"	July 4, 1999	Residential Service
70A	"R"	August 18, 1994	Residential Service
71	"G"	April 15, 1999	General Service Non-Demand
71A	"G"	August 18, 1994	General Service Non-Demand
72	"J"	April 15, 1999	General Service Demand
72A	"J"	May 5, 1997	General Service Demand
73	"H"	April 15, 1999	Commercial Cooking, Heating, Air Conditioning & Refrigeration Service
74	"H"	August 18, 1994	Commercial Cooking, Heating, Air Conditioning & Refrigeration Service
75	"P"	April 15, 1999	Large Power Service
76	"P"	August 18, 1994	Large Power Service
77	"F"	April 15, 1999	Public Street Lighting
78	"F"	August 18, 1994	Public Street Lighting
(PAGES 79 IS NOT ASSIGNED)			
80	"E"	June 1, 1996	Electric Service for Employees
81	"U"	April 15, 1999	Time-of-Use Service

MAUI ELECTRIC COMPANY, LIMITED

Transmittal No. 99-01M Dated June 3, 1999.  
Order No. 17041 Dated June 21, 1999.

Superseding Revised Sheet No. 50E  
Effective April 1, 2006

REVISED SHEET NO. 50E  
Effective June 1, 2006

LANAI DIVISION  
RATE SCHEDULES (continued)

<u>Sheet</u>	<u>Schedule</u>	<u>Date Effective</u>	<u>Character of Service</u>
81A	"U"	May 5, 1997	Time-of-Use Service
81B	"U"	August 18, 1994	Time-of-Use Service
82	Rider "I"	August 18, 1994	Interruptible Contract Service
83	Rider "M"	April 15, 1999	Off-Peak and Curtailable Service
83A	Rider "M"	April 15, 1999	Off-Peak and Curtailable Service
83B	Rider "M"	April 15, 1999	Off-Peak and Curtailable Service
83C	Rider "M"	April 15, 1999	Off-Peak and Curtailable Service
(PAGES 84 - 86 NOT ASSIGNED)			
87	Rider "T"	May 5, 1997	Time-of-Day Service
87A	Rider "T"	August 18, 1994	Time-of-Day Service
88	Energy Cost Adjustment Clause	April 15, 1999	All Schedules Except Schedule Q
88A	Energy Cost Adjustment Clause	April 15, 1999	All Schedules Except Schedule Q
89	IRP Cost Recovery Provision	June 1, 2006	All Schedules Except Schedule Q
90	IRP Cost Recovery Provision	June 1, 2006	All Schedules Except Schedule Q
91	"Q"	April 15, 1999	Purchases From Qualifying Facilities - 100 KW or Less
91A	"Q"	April 15, 1999	Purchases From Qualifying Facilities - 100 KW or Less

MAUI ELECTRIC COMPANY, LIMITED

Transmittal Letter Dated May 31, 2006.

Superceding Revised SHEET NO. 50F  
Effective January 1, 1999

REVISED SHEET NO. 50F  
Effective April 15, 1999

LANAI DIVISION  
RATE SCHEDULES

<u>Sheet</u>	<u>Schedule</u>	<u>Date Effective</u>	<u>Character of Service</u>
92	Green Pricing Program Provision	January 1, 1999	Green Pricing
92A	Green Pricing Program Provision	January 1, 1999	Green Pricing
93	Rider EV-R	April 15, 1999	Residential Electric Vehicle Charging Service
93A	Rider EV-R	April 15, 1999	Residential Electric Vehicle Charging Service
94	Rider EV-C	April 15, 1999	Commercial Electric Vehicle Charging Service
94A	Rider EV-C	April 15, 1999	Commercial Electric Vehicle Charging Service

MAUI ELECTRIC COMPANY, LIMITED

Docket No. 97-0346  
Amended D&O No. 16922

Superseding Revised Sheet No. 70  
Effective April 15, 1999

REVISED SHEET NO. 70  
Effective July 4, 1999

LANAI DIVISION

SCHEDULE "R"

Residential Service

Availability:

Applicable to residential lighting, heating, cooking, air conditioning and power in a single family dwelling unit metered and billed separately by the Company. This schedule does not apply where a residence and business are combined.

Service will be delivered at secondary voltages as specified by the Company.

Rate:

CUSTOMER CHARGE:

Single phase service - per month	\$7.50
Three phase service - per month	\$12.00

NON-FUEL ENERGY CHARGE (To be added to Customer Charge)

All kwhr per month - per kwhr	9.0028 cents
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BASE FUEL/ENERGY CHARGE (To be added to Customer Charge and Non-Fuel Energy Charge)

All kwhr per month - per kwhr	9.0620 cents
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Minimum Charge:

The minimum monthly charge shall be \$17.00

Apartment House Collection Arrangement:

Any apartment owner having three or more apartments at one location, each apartment being separately metered and billed on the above rate, may elect to accept a discount of ten percent (10%) of the amount of the bills rendered for each apartment, but not to exceed \$6.50 per month for each apartment, upon entering into the following collection agreement with the Company under the following terms and conditions:

- 1) All accounts shall be kept in the name of the apartment house owner who shall assume the responsibility for the prompt payment of all bills.

MAUI ELECTRIC COMPANY, LIMITED

Transmittal No. 99-01M Dated June 3, 1999.  
Order No. 17041 Dated June 21, 1999.

Superseding Revised Sheet No. 70A  
Effective August 1, 1988

REVISED SHEET NO. 70A  
Effective August 18, 1994

LANAI DIVISION

SCHEDULE "R" (continued)

- 2) All accounts shall remain active at all times and, though vacant, shall be subject to the minimum charge. Individual apartments cannot be added or deleted from this agreement more often than once in twelve months.
- 3) The Company will render individual bills for each apartment on a regular billing period basis and will also furnish a statement showing gross and net billings.

Energy Cost Adjustment Clause:

The energy cost adjustment provided in the Energy Cost Adjustment Clause shall be added to the Customer, Demand, and Energy Charges.

Integrated Resource Planning Cost Recovery Clause:

The Integrated Resource Planning Adjustment provided in the Integrated Resource Cost Recovery Clause shall be added to the Customer, Demand, and Energy Charges, and energy cost adjustment.

Rules and Regulations:

Service supplied under this rate shall be subject to the Rules and Regulations of the Company.

MAUI ELECTRIC COMPANY, LIMITED

Superseding Revised Sheet No. 71  
Effective May 5, 1997

REVISED SHEET NO. 71  
Effective April 15, 1999

LANAI DIVISION

SCHEDULE "G"

General Service Non-Demand

Availability:

Applicable to general light and/or power loads less than or equal to 5000 kwh per month, and less than or equal to 25 kilowatts, and supplied through a single meter.

If a customer's usage exceeds 5000 kwh per month or in the opinion of the Company exceeds 25 kw of demand three times in a twelve-month period, a demand meter will be installed and the customer's billing will be transferred to Schedule "J" beginning with the next convenient billing period.

Service will be delivered at secondary voltages as specified by the Company, except that where the nature or location of the customer's load makes delivery at secondary voltage impractical, the Company may, at its option, deliver the service at a nominal primary voltage as specified by the Company. Service supplied at primary voltage shall be subject to the special terms and conditions set forth below.

Rate:

CUSTOMER CHARGE:

Single phase service - per month	\$22.00
Three phase service - per month	\$38.00

ENERGY CHARGE: (To be added to Customer Charge)

All kwhr per month - per kwhr	20.4188 cents
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Minimum Charge:

Single phase service - per month	\$27.00
Three phase service - per month	\$43.00

Primary Supply Voltage Service:

Where, at the option of the Company, service is delivered and metered at the primary supply line voltage, the above energy charges will be decreased by 2.0%. When customers' transformers are adjacent to the delivery point, the Company may permit the customer to be metered at a single point on the secondary side of his transformers where such point is approved by the Company. When the energy is metered on the secondary side of the customers' transformers, the above energy charge will be decreased by 1.0%.

MAUI ELECTRIC COMPANY, LIMITED

SHEET NO. 71A  
Effective August 18, 1994

LANAI DIVISION

Schedule "G" (continued)

Energy Cost Adjustment Clause:

The energy cost adjustment provided in the Energy Cost Adjustment Clause shall be added to the Customer, Demand, and Energy Charges.

Integrated Resource Planning Cost Recovery Clause:

The Integrated Resource Planning Adjustment provided in the Integrated Resource Cost Recovery Clause shall be added to the Customer, Demand, and Energy Charges, and energy cost adjustment.

Rules and Regulations:

Service supplied under this rate shall be subject to the Rules and Regulations of the Company.

MAUI ELECTRIC COMPANY, LIMITED



Superseding Revised Sheet No. 72  
Effective May 5, 1997

REVISED SHEET NO. 72  
Effective April 15, 1999

LANAI DIVISION

SCHEDULE "J"

General Service Demand

Availability:

Applicable to general light and/or power loads which exceed 5000 kilowatthours per month three times within a twelve-month period, or 25 kilowatts, and supplied through a single meter.

Rate:

CUSTOMER CHARGE:

Single phase service - per month	\$35.00
Three phase service - per month	\$50.00

DEMAND CHARGE - (To be added to Customer Charge)

All kw of billing demand                      \$5.75 per month per kw

ENERGY CHARGE: (To be added to Customer and Demand Charges)

First	200 kwhr/month/kw of billing demand - per kwhr	20.6089 cents
Next	200 kwhr/month/kw of billing demand - per kwhr	19.4319 cents
All over	400 kwhr/month/kw of billing demand - per kwhr	16.4719 cents

Minimum Charge:

The minimum monthly charge shall be the sum of the Customer and the Demand Charges. The Demand Charge shall be computed with the above demand charge applied to kilowatts of demand, but not less than \$143.75 per month. The kilowatts of demand for the minimum charge calculation each month shall be the highest of the maximum demand for the month, the greatest maximum demand of the preceding eleven months or 25 kw.

Determination of Demand:

The maximum demand for each month shall be the maximum average load in kw during any fifteen-minute period as indicated by a demand meter. The billing demand for each month shall be the maximum demand for such month but not less than 75% of the greatest maximum demand for the preceding eleven months nor less than 25 kw.

MAUI ELECTRIC COMPANY, LIMITED

Superseding Revised Sheet No. 72A  
Effective August 18, 1994

REVISED SHEET NO. 72A  
Effective May 5, 1997

LANAI DIVISION

SCHEDULE "J" (continued)

Power Factor:

For customers with maximum demands in excess of 200 kilowatts per month for any one time within a twelve-month period, the following power factor adjustment will apply to the energy and demand charges.

For each 1% the average power factor is above or below 85%, the energy and demand charges as computed under the above rates shall be decreased or increased, respectively, by 0.10%. The power factor will be computed to the nearest whole percent.

In no case, however, shall the power factor be taken as more than 100% for the purpose of computing the adjustment.

The average monthly power factor will be determined from the readings of a Kwh meter and a Kvarh meter. The Kvarh meter shall be ratcheted to prevent reversal in the event the power factor is leading any time.

Primary Supply Voltage Service:

Where, at the option of the Company, service is delivered and metered at the primary supply line voltage, the above energy and demand charges will be decreased by 2.0%. When customers' transformers are adjacent to the delivery point, the Company may permit the customer to be metered at a single point on the secondary side of his transformers where such point is approved by the Company. When the energy is metered on the secondary side of the customers' transformers, the above energy and demand charges will be decreased by 1.0%.

Energy Cost Adjustment Clause:

The energy cost adjustment provided in the Energy Cost Adjustment Clause shall be added to the Customer, Demand, and Energy Charges.

Integrated Resource Planning Cost Recovery Clause:

The Integrated Resource Planning Adjustment provided in the Integrated Resource Cost Recovery Clause shall be added to the Customer, Demand, and Energy Charges, and energy cost adjustment.

Rules and Regulations:

Service supplied under this rate shall be subject to the Rules and Regulations of the Company.

MAUI ELECTRIC COMPANY, LIMITED

Superseding Revised Sheet No. 73  
Effective May 5, 1997

REVISED SHEET NO. 73  
Effective April 15, 1999

LANAI DIVISION

SCHEDULE "H"

Commercial Cooking, Heating  
Air Conditioning and Refrigeration Service

Availability:

Applicable to commercial cooking, heating (including heat pump waterheaters), air conditioning and refrigeration service. This schedule applies only where the voltage supplied by the Company is less than 600 volts.

Rate:

CUSTOMER CHARGE:

Single phase service - per month	\$27.00
Three phase service - per month	\$43.00

DEMAND CHARGE: (To be added to Customer Charge)

\$4.50 per month per kw of required kw load, but in no case less than \$4.50 per month.

ENERGY CHARGE: (To be added to Customer and Demand Charges)

All kwhr per month - per kwhr	18.0021 cents
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Minimum Charge:

The minimum monthly charge shall be the sum of Customer and Demand Charges.

Determination of Required kw load:

The required kw load for billing purposes shall be:

A. The sum of:

- 1) The total connected motor load;
- 2) 50% of the connected heating load, exclusive of cooking and all-electric resistance and heat pump waterheating; and
- 3) the connected all-electric waterheating load in excess of one-sixth kilowatt per gallon of storage capacity; or

MAUI ELECTRIC COMPANY, LIMITED

Superseding Revised Sheet No. 74  
Effective August 1, 1988

REVISED SHEET NO. 74  
Effective August 18, 1994

LANAI DIVISION

SCHEDULE "H" (continued)

- B. When the load is 25 KW or more the demand may be determined by measured demand. The maximum demand for each month shall be the maximum average load during any fifteen-minute period as indicated by a demand meter. The demand for each month shall be the maximum demand for such month, the highest demand in the preceding eleven months, or 25 KW, whichever is highest. Measured demand service under this schedule will be referred to as Schedule "K" service.

The required kw load will be determined to the nearest one-tenth kw.

Energy Cost Adjustment Clause:

The energy cost adjustment provided in the Energy Cost Adjustment Clause shall be added to the Customer, Demand, and Energy Charges.

Integrated Resource Planning Cost Recovery Clause:

The Integrated Resource Planning Adjustment provided in the Integrated Resource Cost Recovery Clause shall be added to the Customer, Demand, and Energy Charges, and energy cost adjustment.

Term of Contract:

Not less than one year.

Rules and Regulations:

Service supplied under this rate shall be subject to the Rules and Regulations of the Company.

MAUI ELECTRIC COMPANY, LIMITED

Superseding Revised Sheet No. 75  
Effective May 5, 1997

REVISED SHEET NO. 75  
Effective April 15, 1999

LANAI DIVISION

SCHEDULE "P"

Large Power Service

Availability:

Applicable to large light and/or power service supplied and metered at a single voltage and delivery point.

Rate:

CUSTOMER CHARGE - per month                      \$200.00

DEMAND CHARGE - (To be added to Customer Charge)

First	500 kw of billing demand	\$8.50 per month per kw
Over	500 kw of billing demand	\$8.00 per month per kw

ENERGY CHARGE - (To be added to Customer and Demand Charges)

First	200 kwhr/month/kw of billing demand	- per kwhr 18.8358 cents
Next	200 kwhr/month/kw of billing demand	- per kwhr 17.2958 cents
All over	400 kwhr/month/kw of billing demand	- per kwhr 15.5858 cents

Minimum Charge:

The minimum monthly charge shall be the sum of the Customer and the Demand Charges. The Demand Charge shall be computed with the above demand charges applied to kilowatts of demand. The kilowatts of demand for the minimum charge calculation each month shall be the highest of the maximum demand for the month, the greatest maximum demand of the preceding eleven months, or the minimum billing demand specified below.

Determination of Demand:

The maximum demand for each month shall be the maximum average load in kw during any fifteen-minute period as indicated by a demand meter. The billing demand for each month shall be the maximum demand for such month or the mean of current monthly maximum demand and the greatest maximum demand for the preceding eleven months, whichever is the higher, but not less than the minimum billing demand of 200 kw.

Power Factor:

The above demand and energy charges are based upon an average monthly power factor of 85%. For each 1% the average power factor is above or below 85%, the monthly bill as computed under the demand and energy charges shall be decreased or increased, respectively, by 0.10%. The power factor will be computed to the nearest whole percent.

MAUI ELECTRIC COMPANY, LIMITED

Superseding Revised Sheet No. 76  
Effective August 1, 1988

REVISED SHEET NO. 76  
Effective August 18, 1994

LANAI DIVISION

SCHEDULE "P" (continued)

In no case, however, shall the power factor be taken as more than 100% for the purpose of computing the adjustment.

The average monthly power factor will be determined from the readings of a Kwh meter and Kvarh meter. The Kvarh meter shall be ratcheted to prevent reversal in the event the power factor is leading at any time.

Special Terms and Conditions:

Supply Voltage Delivery:

If the customer takes delivery at the Company's supply line voltage, the demand and energy charges will be decreased as follows:

Transmission voltage supplied without further transformation 4.9%  
Distribution voltage supplied without further transformation 2.0%

Metering will normally be at the delivery voltage. When customer's transformers are adjacent to the delivery point, the customer may elect to be metered at a single point on the secondary side of his transformers where such point is approved by the Company. When the energy is metered on the secondary side of the customer's transformers, the above decreases will be 3.9% and 1.0% respectively.

Energy Cost Adjustment Clause:

The energy cost adjustment provided in the Energy Cost Adjustment Clause shall be added to the Customer, Demand, and Energy Charges.

Integrated Resource Planning Cost Recovery Clause:

The Integrated Resource Planning Adjustment provided in the Integrated Resource Cost Recovery Clause shall be added to the Customer, Demand, and Energy Charges, and energy cost adjustment.

Term of Contract:

Not less than one year.

Rules and Regulations:

Service supplied under this rate shall be subject to the Rules and Regulations of the Company.

MAUI ELECTRIC COMPANY, LIMITED

Superseding Revised Sheet No. 77  
Effective May 5, 1997

REVISED SHEET NO. 77  
Effective April 15, 1999

LANAI DIVISION

SCHEDULE "F"

Public Street Lighting

Availability:

Applicable to public street and highway lighting service supplied on the Island of Lanai where the Company owns, maintains and operates the street lighting facilities.

Rate:

ENERGY CHARGE:

First 150 kwhr/month/kw of billing demand - per kwhr 21.0335 cents  
All over 150 kwhr/month/kw of billing demand - per kwhr 16.5415 cents

FIXTURE CHARGE (To be added to the Energy Charge):

150 or 300 Watt Incandescent	\$6.00 per unit per month
250 Watt Mercury	\$11.00 per unit per month
400 Watt Mercury	\$11.00 per unit per month
100 Watt High Pressure Sodium	\$11.00 per unit per month
150 Watt High Pressure Sodium	\$11.00 per unit per month
250 Watt High Pressure Sodium	\$11.00 per unit per month

Minimum Charge:

Fixture Charge + \$25.00 per month.

Terms and Conditions:

1. Determination of Energy:

Standard service on and after May 15, 1976 will be unmetered dusk-to-dawn service. For the unmetered installations, the demand shall be the connected load of the lamp and appurtenances in kilowatts to the nearest 1/10. The kilowatthours shall be the connected load times 340. The demand of metered installations may be by demand or by test.

2. Standard Equipment Furnished:

Bracket or mast arm construction will be furnished and attached to existing wooden poles and secondary voltage.

MAUI ELECTRIC COMPANY, LIMITED

Superseding Revised Sheet No. 78  
Effective August 1, 1988

REVISED SHEET NO. 78  
Effective August 18, 1994

LANAI DIVISION

SCHEDULE "F" (Continued)

3. Other Than Standard Equipment:

Where the customer requests the installation of other than the standard equipment be furnished by the Company, including underground facilities and such requested equipment is acceptable to the Company, the Company will install the requested equipment provided the customer agrees to make a contribution of the estimated difference in cost installed between such equipment and standard equipment.

Contribution made for this purpose will not be refunded. Where the customer requests fixtures to be installed on electroliers or other ornamental standards that are acceptable to the Company, in lieu of making the contribution, the customer may elect to pay added facilities charge of 1-3/4% per month of the added investment required for such facilities. Facilities installed in connection with such agreements become and remain the sole property of the utility.

4. Replacement Cost:

Where the customer requests an existing street lighting fixture or electrolier be replaced with another type, the customer shall make a contribution of the estimated cost of the new equipment installed plus the cost of the removal of the existing equipment.

Energy Cost Adjustment Clause:

The energy cost adjustment provided in the Energy Cost Adjustment Clause shall be added to the Customer, Demand, and Energy Charges.

Integrated Resource Planning Cost Recovery Clause:

The Integrated Resource Planning Adjustment provided in the Integrated Resource Cost Recovery Clause shall be added to the Customer, Demand, and Energy Charges, and energy cost adjustment.

Rules and Regulations:

Service supplied under this rate shall be subject to the Rules and Regulations of the Company.

MAUI ELECTRIC COMPANY, LIMITED



Superseding SHEET NO. 80  
Effective May 15, 1976

REVISED SHEET NO. 80  
Effective June 1, 1996

## LANAI DIVISION

## SCHEDULE "E"

## Electric Service for Employees

## Availability:

Applicable to all regular full-time Company employees, Company retirees, members of the Company Board of Directors, and retirees of Hawaiian Electric Company, Inc. and Hawaii Electric Light Company, Inc. who retired on or after January 1, 1996 and who are served by Maui Electric Company, Ltd. This schedule is applicable to the above customers' residential electric service in a single family dwelling unit metered and billed separately by the Company, subject to the Special Terms and Conditions specified below. This schedule does not apply where a residence and business are combined.

## Rate:

The rates applicable to service under this schedule shall be two-thirds (2/3) of the current effective Schedule R rates - Residential Service, for usage up to 825 kwh per month. Energy usage above 825 kwh shall be billed the full Schedule R energy rates.

## Special Terms and Conditions:

1. "Regular full-time Company employee" is defined as an employee who has successfully completed any required probationary requirements, is hired for an indefinite period, and who works no less than 40 hours per week.
2. This schedule is applicable only to primary residences.
3. Availability of this schedule terminates six months after death of eligible employee, retiree, or member of the Board of Directors.

## Rules and Regulations:

Service supplied under this schedule shall be subject to the Rules and Regulations of the Company:

MAUI ELECTRIC COMPANY, LIMITED

Docket No. 94-0345  
Interim Decision and Order No. 14509  
May 28, 1996 Approval of April 30, 1996 Letter Request

Superseding Sheet No. 81  
Effective May 5, 1997

REVISED SHEET NO. 81  
Effective April 15, 1999

LANAI DIVISION  
SCHEDULE U  
TIME-OF-USE SERVICE

AVAILABILITY:

Applicable to general light and/or power loads which exceed 25 kilowatts per month and supplied and metered at a single voltage and delivery point. This Schedule cannot be used in conjunction with load management Riders "M", "T", and "I".

TIME-OF-DAY RATING PERIODS:

The time-of-day rating periods shall be as follows:

On-Peak Period: 7:00 a.m. - 9:00 p.m., daily  
Off-Peak Period: 9:00 p.m. - 7:00 a.m., daily

RATE:

CUSTOMER CHARGE - per month \$100.00

DEMAND CHARGE - (To be added to Customer Charge)

All On-Peak Kw of billing demand - per Kw \$25.00

ENERGY CHARGE - (To be added to Customer and Demand Charges)

All On-Peak Kwhr per month - per Kwhr 20.6089 cents  
All Off-Peak Kwhr per month - per Kwhr 15.5858 cents

Minimum Charge:

The monthly minimum charge shall be the sum of the Customer and the Demand Charges. The Demand Charge shall be computed with the above demand charge applied to kilowatts of demand. The kilowatts of billing demand for the minimum charge calculation for each month shall be the highest of the maximum on-peak demand for such month, but not less than 25kw.

MAUI ELECTRIC COMPANY, LIMITED

Superseding Sheet No. 81A  
Effective August 18, 1994

REVISED SHEET NO. 81A  
Effective May 5, 1997

LANAI DIVISION

Schedule "U" (Continued)

DETERMINATION OF TIME-OF-USE ENERGY AND DEMAND:

The Company shall install a time-of-use meter to measure the customer's energy consumption and peak load during the time-of-day rating periods. The maximum demand for the rating periods for each month shall be the maximum average load in kilowatts during any fifteen-minute period as indicated by a time-of-use meter. The on-peak kilowatts of billing demand for each month shall be the maximum on-peak demand for such month, but not less than 25 kilowatts.

Power Factor:

For customers with demands in excess of 200 kilowatts, the following power factor adjustment will apply to the energy and demand charges.

The above energy and demand charges are based upon an average monthly power factor of 85%. For each 1% the average power factor is above or below 85%, the monthly energy and demand charges as computed under the above rates shall be decreased or increased, respectively, by 0.10%.

The average monthly power factor will be determined from the readings of a Kwh meter and KVarh meter, and will be computed to the nearest whole percent and not exceeding 100% for the purpose of computing the adjustment. The KVarh meter shall be ratcheted to prevent reversal in the event the power factor is leading at any time.

Special Terms and Conditions:

Supply Voltage Delivery:

If the customer takes delivery at the Company's supply line voltage, the demand and energy charges will be decreased as follows:

Transmission voltage supplied without further transformation 4.9%  
Distribution voltage supplied without further transformation 2.0%

Metering will normally be at the delivery voltage. When the customer's transformers are adjacent to the delivery point, the customer may elect to be metered at a single point on the secondary side of his transformers where such point is approved by the Company. When the energy is metered on the secondary side of the customer's transformers, the above decreases will be 3.9% and 1.0%, respectively.

MAUI ELECTRIC COMPANY, LIMITED

SHEET NO. 81B  
Effective August 18, 1994

LANAI DIVISION

Schedule "U" (Continued)

Energy Cost Adjustment Clause:

The energy cost adjustment provided in the Energy Cost Adjustment Clause shall be added to the Customer, Demand, and Energy Charges.

Integrated Resource Planning Cost Recovery Clause:

The Integrated Resource Planning Adjustment provided in the Integrated Resource Cost Recovery Clause shall be added to the Customer, Demand, and Energy Charges, and energy cost adjustment.

Term of Contract:

Not less than five years.

Rules and Regulations:

Service supplied under this rate shall be subject to the Rules and Regulations of the Company.

MAUI ELECTRIC COMPANY, LIMITED

Superseding Sheet No. 82  
Effective January 26, 1982

REVISED SHEET NO. 82  
Effective August 18, 1994

LANAI DIVISION

RIDER "I"

Interruptible Contract Service

Availability:

This Rider is applicable to service supplied and metered at a single voltage and delivery point where 500 kw or greater is subject to disconnection by the utility under the terms and conditions as set forth in the contract agreement.

Rates:

Reduction in demand charge as set forth in a contract between the customer and the utility and approved by the Public Utilities Commission.

Term of Contract:

Not less than five years.

MAUI ELECTRIC COMPANY, LIMITED

Superseding Revised Sheet No. 83  
Effective May 5, 1997

REVISED SHEET NO. 83  
Effective April 15, 1999

LANAI DIVISION

RIDER "M"

Off-Peak and Curtailable Service

Availability:

This Rider is available to service supplied in rate Schedule "J" or "P" whose maximum measured demands prior to any load modifications effected under this rider, exceed 100 and 300 kilowatts, respectively. This rider cannot be used in conjunction with Rider T, Rider I, or Schedule U.

Rates:

A. Basic Rates

The rates for service under this Rider shall be as specified under the regular Schedule "J" or "P", whichever is applicable except that the Minimum Charge and the determination of billing demand used in the calculation of demand and energy charges shall be as defined below, subject to the requirements of the Determination of Demand provision of the applicable rate schedule.

The customer shall select Option A - Off-Peak Service or Option B - Curtailable Service:

OPTION A - OFF-PEAK SERVICE

- 1) Any demand occurring during the off-peak period shall not be considered in determining the billing kW demand for each month, but shall be used in determining the excess off-peak charge. Only the maximum kW demand occurring during the on-peak period shall be used in the determination of the billing kW demand for the calculation of the demand charge, energy charge and minimum charge as specified in the regular Schedule J or P.
- 2) An Excess Off-Peak Charge of \$1.00 per kilowatt shall be added to the regular rate schedule charges for each kilowatt that the maximum off-peak demand exceeds the maximum demand during the on-peak period.
- 3) For calculation of the excess off-peak charge for each month, the maximum off-peak demand and maximum demand during the on-peak period shall be the highest measured demands during the respective periods for such month.

MAUI ELECTRIC COMPANY, LIMITED

Superseding Revised Sheet No. 83A  
Effective May 5, 1997

REVISED SHEET NO. 83A  
Effective April 15, 1999

LANAI DIVISION

RIDER "M" (continued)

- 4) The time-of-use rating periods shall be defined as follows:

On-Peak Period	7 a.m. - 9 p.m.	Fourteen hours Daily
Off-Peak Period	9 p.m. - 7 a.m.	Ten continuous hours Daily
- 5) The monthly minimum charge shall be the sum of the customer charge and demand charge in the applicable rate schedule, and the Excess Off-Peak Charge and Time-of-Day Metering Charge specified below.

OPTION B: CURTAILABLE SERVICE:

- 1) A customer who chooses curtailable service shall curtail its kW load during the Company's curtailment hours, and shall specify the curtailable kW load. This curtailable load must be load that is normally operated during the Company's curtailment hours and must be at least 50 kW and 150 kW of load under Schedules "J" and "P" respectively. The Company may install a meter to measure the customer's curtailable load prior to the start of curtailable service under this Rider.
- 2) For billing purposes, the curtailed kW demand shall be determined monthly as the difference between the maximum kW demand outside of the curtailment hours and the maximum kW demand during the curtailment hours measured for each month, but not to exceed the curtailable kW load specified in the customer's Rider M contract.
- 3) The customer shall choose one of the curtailment periods specified below. The billing demand under this curtailable service option shall be the normal billing demand under Schedule "J" or "P" reduced by:  

Option 1) 75% of the curtailed demand if the curtailment hours are the Company's priority peak period defined from 5:00 p.m. to 9 p.m., Monday through Friday; or

MAUI ELECTRIC COMPANY, LIMITED

Superseding Revised Sheet No. 83B  
Effective May 5, 1997

REVISED SHEET NO. 83B  
Effective April 15, 1999

LANAI DIVISION

RIDER "M" (continued)

Option 2) 40% of the curtailed kilowatt demand if the curtailment hours are two (2) consecutive hours as specified by the Company.

- 4) The monthly minimum charge shall be the sum of the customer charge and demand charge in the applicable rate schedule, and the Time-of-Day Metering Charge specified below.

Where the Company specifies the curtailment hours, the Company shall give the customer at least 30 days notice prior to changing the curtailment hours.

B. TIME-OF-DAY METERING CHARGE:

The Company shall install a time-of-use meter to measure the customer's maximum kW load during the time-of-day rating periods and curtailment hours.

An additional time-of-day metering charge of \$10 per month shall be assessed to cover the additional cost of installing, operating, and maintaining a time-of-use meter.

C. TERMS OF CONTRACT:

1. The initial term of contract shall be at least 3 years. Thereafter, the contract will be automatically renewed in 3-year increments until terminated by either party by a 30-day written notice.
2. A customer applying for service under this Rider shall sign a standard Rider M contract form with the Company.
3. The customer shall be allowed to take service under this Rider for a six-month trial period without penalty for termination within this period.
4. If the contract is terminated after the six-month trial period, but prior to the end of the initial contract term, the customer shall be assessed a termination charge equal to the last six months discount received under this Rider.

MAUI ELECTRIC COMPANY, LIMITED



SHEET NO. 83C  
Effective April 15, 1999

LANAI DIVISION

RIDER "M" (continued)

5. The customer may request a change of Rider options (Option A - Off-Peak Service or Option B - Curtailable Service) or curtailment hours by providing a 30-day written notice to the Company. The change will become effective after the next regular meter reading following the receipt of such written notice by the Company, provided however, the Company may not be required to make such change until 12 months of service has been rendered after the last change, unless a new or revised Rider has been authorized, or unless a customer's operating conditions have altered so as to warrant such a change.
6. If under the curtailable service option the customer fails to curtail his demand during the curtailment hours three times within a twelve-month period, the Company may terminate the Rider M contract by a 30-day written notice to the customer. If the Rider M contract is terminated due to the customer's failure to curtail load, the customer may be assessed a termination charge equal to the last six months discount received under this Rider.
7. Service supplied under this Rider shall be subject to the Rules and Regulations of the Company.

MAUI ELECTRIC COMPANY, LIMITED

Superseding Sheet No. 87  
Effective August 18, 1994

REVISED SHEET NO. 87  
Effective May 5, 1997

LANAI DIVISION

RIDER T  
TIME-OF-DAY RIDER

AVAILABILITY:

This rider is available to customers on rate Schedule "J", "K", or "P" but cannot be used in conjunction with the load management Rider M or Schedule U.

TIME-OF-DAY RATING PERIODS:

The time-of-day rating periods under this Rider shall be as follows:

On-Peak Period: 7:00 a.m. - 9:00 p.m., Daily  
Off-Peak Period: 9:00 p.m. - 7:00 a.m., Daily

RATE:

The rate(s) for service under this Rider including the Customer Charge, Energy Charge, and Demand Charge shall be as specified in the regular rate schedule, except that the following charges shall be added:

TIME-OF-DAY METERING CHARGE - per month \$10.00

TIME-OF-DAY ENERGY CHARGE ADJUSTMENTS:

On-Peak Energy Surcharge - all on-peak kwh + 2.0 cents/kwh  
Off-Peak Energy Credit - all off-peak kwh - 3.0 cents/kwh

MINIMUM CHARGE:

The Minimum Charge shall be as specified under the regular rate schedule except that it shall include the Time-of-Day Metering Charge. In addition, the average energy charge computed from the regular energy charge and the above Time-of-Day energy charge adjustments including the energy cost adjustment, cannot be lower than the off-peak avoided energy cost at the metering point.

DETERMINATION OF DEMAND:

The Determination of Demand shall be as specified in the regular rate schedule, except that only the on-peak Kw demand shall be used in the determination of the kilowatts of billing demand for the Demand Charge, the regular Energy Charge and the Minimum Charge calculations.

MAUI ELECTRIC COMPANY, LIMITED

Superseding Sheet No. 87A  
Effective June 18, 1987

REVISED SHEET NO. 87A  
Effective August 18, 1994

LANAI DIVISION

Rider T (Continued)

VOLTAGE SERVICE AND POWER FACTOR ADJUSTMENTS:

The voltage service and power factor adjustments shall be as specified in the regular rate schedule.

MEASUREMENT OF TIME-OF-DAY ENERGY AND DEMAND:

The Company shall install a time-differentiating meter to measure the customer's energy consumption and peak kw demand during the time-of-day rating periods.

TERMS OF AGREEMENT:

The customer applying for service under this Rider shall sign a standard Rider T agreement form with the Company. Service under this Rider shall not be less than five years. The customer may terminate service under this Rider during the first six months without penalty. If the customer terminates service after the first six months but before the end of the first five-year period which begins from the start date of the customer's service under this Rider, the customer shall be charged a termination fee equal to the amount of the last six months of discount received under this Rider.

MAUI ELECTRIC COMPANY, LIMITED

Superseding Revised SHEET NO. 88  
Effective May 5, 1997

REVISED SHEET NO. 88  
Effective April 15, 1999

LANAI DIVISION  
ENERGY COST ADJUSTMENT CLAUSE

Applicable To

Schedule "R" - Residential Service  
Schedule "E" - Electric Service For Employees  
Schedule "G" - General Service - Non-Demand  
Schedule "J" - General Service - Demand  
Schedule "H" - Commercial Cooking, Heating, Air  
Conditioning and Refrigeration Service  
Schedule "P" - Large Power Service  
Schedule "F" - Public Street Lighting  
Schedule "U" - Time-of-Use Service

All terms and provisions of Schedules "R", "E", "G", "J", "H", "P", "F" and "U" are applicable, except that the Energy Cost Adjustment described below will be added to the customer bills.

All base rate schedule discounts, surcharges, and all other adjustments will not apply to the energy cost adjustment.

Energy Cost Adjustment Clause:

This Energy Cost Adjustment Clause shall include the following:

FUEL AND PURCHASED ENERGY - The above rates are based on a cost of fuel for Company generation of 773.27 cents per million Btu for fuel delivered in its service tanks and a cost for purchased energy of 7.695 cents per kilowatthour. Company-generated energy from non-fuel sources shall be considered as zero fuel cost in the determination of the composite fuel cost. When the Company-generated net energy cost is more or less than 773.27 cents per million Btu, and/or the purchased energy cost is more or less than 7.695 cents per kilowatthour, there shall be a corresponding adjustment to the base charges. This Adjustment shall be comprised of a Company Generation Component and a Purchased Energy Component.

The Company Generation Component shall be the difference in current generation cost and base generation cost, adjusted for additional revenue taxes. The current generation cost shall be determined by the current fuel cost in cents per million Btu, multiplied by a generation conversion factor of 0.010678 million Btu per kilowatthour, weighted by the proportion of current Company generation to total system net energy in kilowatthours. The base generation cost is the base fuel cost of 773.27 cents per million Btu multiplied by a generation

MAUI ELECTRIC COMPANY, LIMITED

Superseding Revised SHEET NO. 88A  
Effective May 5, 1997

REVISED SHEET NO. 88A  
Effective April 15, 1999

LANAI DIVISION

Energy Cost Adjustment Clause (Continued)

conversion factor of 0.010678 million Btu per kilowatthour, weighted by the proportion of the 1999 test year generation to total system energy in kilowatthours.

The Purchased Energy Component shall be the difference between (1) the current purchased energy cost weighted by the proportion of current purchased energy to total system net energy, and (2) the base purchased energy cost of 7.695 cents per kilowatthour weighted by the proportion of the 1999 test year purchased energy to total system net energy, adjusted to the sales delivery level and for additional revenue taxes. The Energy Cost Adjustment Factor shall be the sum of the Generation Component and the Purchased Energy Component.

The revenue tax requirement shall be calculated using current rates of the Franchise Tax, Public Service Company Tax, and Public Utility Commission fee.

The Adjustment shall be effective on the date of cost change. When a cost change occurs during a customer's billing period, the Adjustment will be prorated for the number of days each cost was in effect.

This Energy Cost Adjustment Clause is consistent with the terms of the Company's operations and purchased energy contracts and may be revised to reflect any revisions or changes in operations and the purchased energy contracts, subject to approval by the Commission.

Reconciliation Adjustment:

In order to reconcile any differences that may occur between recorded and forecasted Energy Cost Adjustment Clause revenues, the year-to-date recorded revenue from the Energy Cost Adjustment Clause will be compared with the year-to-date revenue expected from the Energy Cost Adjustment Clause on a quarterly basis. If there is a variance between the recorded Energy Cost Adjustment Clause revenue and the expected Energy Cost Adjustment Clause revenue, an adjustment, lagged by two months, shall be made to the Energy Cost Adjustment Factor to reconcile the revenue variance over the sales estimated for the subsequent quarter.

MAUI ELECTRIC COMPANY, LIMITED

Superseding Revised Sheet No. 89  
Effective April 1, 2006

REVISED SHEET NO. 89  
Effective June 1, 2006

LANAI DIVISION  
INTEGRATED RESOURCE PLANNING  
COST RECOVERY PROVISION

Supplement To

Schedule R - Residential Service  
Schedule E - Electric Service For Employees  
Schedule G - General Service Non-Demand  
Schedule J - General Service Demand  
Schedule H - Commercial Cooking, Heating, Air  
Conditioning, and Refrigeration Service  
Schedule P - Large Power Service  
Schedule F - Public Street Lighting  
Schedule U - Time of Use Service

All terms and provisions of Schedules "R", "E", "G", "J", "H", "P", "F", and "U", are applicable except that the total base rate charges for each billing period shall be increased by the following Integrated Resource Planning Cost Recovery Adjustment, Residential Demand-Side Management (DSM) Adjustment, and Commercial and Industrial Demand-Side Management (DSM) Adjustment:

A: INTEGRATED RESOURCE PLANNING COST RECOVERY ADJUSTMENT:

All Rate Schedules ..... 0.470 percent

The total base rate charges for all rate schedules shall be increased by the above Integrated Resource Planning Cost Recovery Adjustment, which is based on the recovery of the 2005 IRP Planning Costs, the reconciliation of the 2004 IRP Planning Costs, including interest and taxes, with a total of \$26,242 as approved by the Public Utilities Commission.

The total base rate charges for the current billing period shall include all base rate schedule charges, discounts, surcharges, or base rate adjustments, excluding the Energy Cost Adjustment, Residential DSM Adjustment, and Commercial and Industrial Demand-Side Management (DSM) Adjustment.

B: Residential Demand-Side Management (DSM) Adjustment:

Schedule R ..... 0.7693 ¢/kwh

The total residential monthly bill shall include the above Residential DSM adjustment applied to all kwh per month. The above Residential DSM adjustment is based on recovering the total cost of \$3,539,989 for the 2006 residential program costs, lost revenue margins and revenue taxes, the 2005 shareholder incentives, and the reconciliation of the 2005 program cost recovery including reconciled lost revenue margins and revenue taxes, for which recovery has been approved by the Public Utilities Commission.

MAUI ELECTRIC COMPANY, LIMITED

Transmittal Letter Dated May 31, 2006.

Superseding Revised Sheet No. 90  
Effective April 1, 2006

REVISED SHEET NO. 90  
Effective June 1, 2006

LANAI DIVISION

INTEGRATED RESOURCE PLANNING COST RECOVERY PROVISION - Continued

C: Commercial and Industrial Demand-Side Management (DSM) Adjustment:

Schedules G, J, H, P, U - per kwh ..... 0.1132 ¢/kwh

The total monthly bill for Schedules G, J, H, P, and U customers shall include the above Commercial and Industrial DSM adjustment applied to all kwh per month. The above adjustment is based on recovering \$22,690 for the 2006 C&I program costs, lost revenue margins and revenue taxes, the 2005 shareholder incentives, and the reconciliation of the 2005 program cost recovery including reconciled lost revenue margins and revenue taxes, for which recovery has been approved by the Public Utilities Commission.

RECONCILIATION ADJUSTMENT (To be added to Integrated Resource Planning Cost Recovery Adjustment, Residential DSM Adjustment, and Commercial and Industrial DSM Adjustment):

In order to reconcile any differences that may occur between the above costs to be recovered and the revenues received from the above adjustments, recorded revenues will be compared with the above costs. The Integrated Resource Planning Cost Recovery Adjustment, the Residential DSM Adjustment, and the Commercial and Industrial DSM Adjustment will be reconciled annually. If there is a variance between the recorded revenues from the adjustments and the costs to be recovered, a reconciliation adjustment, lagged by two months, will be made to the above adjustments.

MAUI ELECTRIC COMPANY, LIMITED

Transmittal Letter Dated May 31, 2006.

Superseding Revised Sheet No. 91  
Effective May 5, 1997

REVISED SHEET NO. 91  
Effective April 15, 1999

LANAI DIVISION

SCHEDULE "Q"

Purchases From Qualifying Facilities - 100 KW or Less

Availability:

This schedule is available to customers with cogeneration and/or small power production facilities which qualify under the Commission's Rules, Chapter 74 of Title 6, Subchapter 2 with a design capacity of 100 kilowatts or less. Such qualifying facilities (QF's) shall be designed to operate properly in parallel with the Company's system without adversely affecting the operations of its customers and without presenting safety hazards to the Company's or other customer's personnel. The customer shall comply with the Company's requirements for customer generation interconnected with the utility system.

Energy delivered to the customer by the Company will be metered separately from the energy delivered by the customer to the Company.

Rate for Energy Delivered to the Company by Customer

The Company will pay for energy as follows:

All kwh per month - per kwh	8.74 cents
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Metering Charge:

There is a monthly charge to the customer for metering, billing and administration of the interconnection for purchase power as follows:

Single phase service - per month	\$ 5.00
Three phase service - per month	\$10.00

Energy Delivered to the Customer by the Company:

Energy delivered to the customer shall be billed on an applicable Company rate schedule.

System Compatibility:

The customer must deliver electric power at 60 hertz and the same phase and voltage as the customer receives service from the Company.

MAUI ELECTRIC COMPANY, LIMITED



Superseding Revised Sheet No. 91A  
Effective May 5, 1997

REVISED SHEET NO. 91A  
Effective April 15, 1999

LANAI DIVISION

SCHEDULE "Q" (continued)

Interconnection Facilities:

The customer shall furnish, install, operate and maintain facilities such as relays, switches, synchronizing equipment, monitoring equipment and control and protective devices designated by the Company as suitable for parallel operation with the Company system. Such facilities shall be accessible at all times to authorized Company personnel. All designs should be approved by the Company prior to installation.

If additional Company facilities are required or the existing facilities must be modified to accept the QF's deliveries, the QF shall make a contribution for the cost of such additional facilities.

Contract:

The Company shall require a contract specifying technical and operating aspects of parallel generation.

Fuel Clause:

The above rate for energy delivered to the Company by the Customer is based on a cost of fuel for Company generation of 773.27 cents per million Btu for fuel delivered in its service tanks. Effective the first day of January, April, July, and October an Adjustment shall be made to reflect the Company-generated fuel cost on file with the Commission and shall be effective for the following three months.

The Adjustment shall be the sum of the time-weighted on-peak adjustment (14 hours of 24 hours) and off-peak adjustment (10 hours of 24 hours). On-peak and off-peak adjustments shall be determined by the amount of the Company-generated fuel cost increase or decrease (in terms of cents per million Btu) from the base of 773.27 cents per million Btu multiplied by an on-peak heat rate of 11,002 Btu per net kilowatthour and an off-peak heat rate of 11,002 Btu per net kilowatthour.

This Fuel Clause is consistent with the terms of the Company's operations and may be revised to reflect any revisions or changes in operations, subject to approval by the Commission.

MAUI ELECTRIC COMPANY, LIMITED

Superseding Sheet No. 92  
Effective October 23, 1996

REVISED SHEET NO. 92  
Effective January 1, 1999

LANAI DIVISION

GREEN PRICING PROGRAM PROVISION

AVAILABILITY:

Available to all residents/non-residents of the Island of Lanai who wish to make voluntary contributions for the development of renewable energy resources on Lanai.

GREEN PRICING PROGRAM:

The objective of the Green Pricing Program is to encourage the development of Hawaii's renewable energy resources. The participant's voluntary contributions under the Green Pricing Program Provision are used to develop renewable energy facilities.

The Company's Sun Power for Schools Pilot Program is a pilot project under which photovoltaic systems are installed on selected public schools on the Island of Lanai. The participating school will own the photovoltaic facility and use the energy produced by the system at no cost. Contributions received from the participants in this Green Pricing Program Provision are used to help fund this pilot program.

Other renewable energy projects may be developed in the future as part of the Company's Green Pricing Program, depending on the availability of contributions received from this Green Pricing Program Provision.

VOLUNTARY PARTICIPATION:

1. Participation in the Green Pricing Program through the Green Pricing Program Provision, is voluntary and may be terminated by the participant at any time.
2. Any resident/non-resident of the Island of Lanai may contribute to the Green Pricing Program through the Green Pricing Program Provision by completing a standard program sign-up form which indicates the participant's mailing address, electric service account number (if participant is currently a MECO customer), and the contribution payment option desired. The Green Pricing Program Provision contribution payment options are listed below.

MAUI ELECTRIC COMPANY, LIMITED

Transmittal Letter Dated October 8, 1998

Superseding Sheet No. 92A  
Effective October 23, 1996

REVISED SHEET NO. 92A  
Effective January 1, 1999

LANAI DIVISION

GREEN PRICING PROGRAM PROVISION (Continued)

3. A participant may terminate his/her voluntary contribution to the Green Pricing Program at any time by submitting a written or telephonic request to the Company to terminate participation in the Green Pricing Program Provision.

CONTRIBUTION PAYMENT OPTIONS:

A participant will specify the amount of his/her voluntary contribution (in whole dollars) and shall elect one of the following payment options:

Option 1: Monthly Contribution - the participant will be billed monthly based on the participant's specified dollar contribution amount.

Option 2: One Time Contribution - the participant will be billed one time for one lump sum contribution.

TERMS AND CONDITIONS:

1. Payments received by the Company shall be applied first to the participant's outstanding electric service bill balance, if any, and the remainder shall be applied to the participant's contribution to the Green Pricing Program under the Green Pricing Program Provision.
2. Electric Service will not be terminated if the participant fails to make contribution payments under the Green Pricing Program Provision.
3. The Company may terminate a participant's participation in the Green Pricing Program Provision, if the participant fails to make contribution payments for two (2) consecutive months.
4. The Company's late payment charge shall not apply to the participant's voluntary contributions under the Green Pricing Program Provision.

MAUI ELECTRIC COMPANY, LIMITED

Transmittal Letter Dated October 8, 1998

SHEET NO. 93  
Effective April 15, 1999

LANAI DIVISION

RIDER EV-R

RESIDENTIAL ELECTRIC VEHICLE CHARGING SERVICE

AVAILABILITY:

This Rider is applicable to electric charging service of on-road electric vehicles by residential customers. Electric vehicle charging service under this Rider shall be separately metered from residential power service served under Schedule R, and shall be supplied at a secondary voltage as specified by the Company.

RATES:

TIME-OF-USE METERING CHARGE - per month \$5.00

TIME-OF-USE ENERGY CHARGE:

On-Peak Energy Charge - per on-peak Kwhr 18.0648 cents  
Off-Peak Energy Charge - per off-peak Kwhr 8.3106 cents

MINIMUM CHARGE:

The Minimum Charge shall be the Time-of-Use Metering Charge.

DETERMINATION OF TIME-OF-USE ENERGY USAGE:

The Company shall install time-of-use metering equipment to measure the customer's electric vehicle charging kilowatthour usage by time-of-day rating periods defined below.

TIME-OF-USE RATING PERIODS:

The Time-of-Day rating periods under this Schedule shall be as follows:

On-Peak Period: 7:00 a.m. - 9:00 p.m., Daily  
Off-Peak Period: 9:00 p.m. - 7:00 a.m., Daily

MAUI ELECTRIC COMPANY, LIMITED

SHEET NO. 93A  
Effective April 15, 1999

LANAI DIVISION

RIDER EV-R - (continued)

ENERGY COST ADJUSTMENT CLAUSE:

The energy cost adjustment provided in the Energy Cost Adjustment Clause shall be added to the Time-of-Use Metering Charge and Energy Charge.

INTEGRATED RESOURCE PLANNING SURCHARGE:

The Integrated Resource Planning Surcharge shall be added to the Time-of-Use Metering Charge, Time-of-Use Energy Charge, and Energy Cost Adjustment.

RULES AND REGULATIONS:

Service supplied under this Schedule shall be subject to the Rules and Regulations of the Company.

MAUI ELECTRIC COMPANY, LIMITED

SHEET NO. 94  
Effective April 15, 1999

LANAI DIVISION

RIDER EV-C

COMMERCIAL ELECTRIC VEHICLE CHARGING SERVICE

AVAILABILITY:

This Rider is available for electric charging service of on-road electric vehicles by non-residential customers and to businesses that provide electric vehicle charging service to others. Electric vehicle charging service shall be separately metered from other power service served. Service will be delivered at secondary voltages as specified by the Company.

RATES:

TIME-OF-USE METERING CHARGE - per month \$10.00

TIME-OF-USE ENERGY CHARGE - (To be added to Time-of-Use  
Metering Charge)

Non-Demand Service:

On-Peak Energy Charge - per on-peak Kwhr 20.4188 cents  
Off-Peak Energy Charge - per off-peak Kwhr 10.7466 cents

When the customer's electric vehicle load exceeds 5000 kwh per month or in the opinion of the Company exceeds 25 kw of demand three times in a twelve-month period, a time-of-use demand meter will be installed and the following rates shall apply beginning with the next convenient billing period.

Demand Service:

TIME-OF-USE ENERGY CHARGE - (To be added to Time-of-Use  
Metering Charge)

On-Peak Energy Charge - per on-peak Kwhr 20.6089 cents  
Off-Peak Energy Charge - per off-peak Kwhr 10.7466 cents

ON-PEAK DEMAND CHARGE - (To be added to Time-of-Use Metering  
and Time-of-Use Energy Charges)

All On-Peak billing demand - per kw per month \$5.75

MAUI ELECTRIC COMPANY, LIMITED

SHEET NO. 94A  
Effective April 15, 1999

LANAI DIVISION

RIDER EV-C - (continued)

MINIMUM CHARGE:

Non-Demand Service: Time-of-Use Metering Charge.

Demand Service: Sum of Time-of-Use Metering Charge and On-Peak Demand Charge.

DETERMINATION OF TIME-OF-USE ENERGY USAGE:

The Company shall install time-of-use metering equipment to measure the customer's electric vehicle charging kilowatt demand and kilowatthour usage by the time-of-day rating periods defined below. The on-peak billing kw per month shall be the maximum on-peak demand for such month but not less than 25 kw. The maximum on-peak demand for each month shall be the maximum average on-peak load in kw during any fifteen-minute period as indicated by a time-of-use meter.

TIME-OF-USE RATING PERIODS:

The Time-of-Day rating periods under this Schedule shall be as follows:

On-Peak Period:	7:00 a.m. -	9:00 p.m.,	Daily
Off-Peak Period:	9:00 p.m. -	7:00 a.m.,	Daily

ENERGY COST ADJUSTMENT CLAUSE:

The energy cost adjustment provided in the Energy Cost Adjustment Clause shall be added to the Time-of-Use Metering Charge and Energy Charge.

INTEGRATED RESOURCE PLANNING SURCHARGE:

The Integrated Resource Planning Surcharge shall be added to the Time-of-Use Metering Charge, Time-of-Use Energy Charge, and Energy Cost Adjustment.

RULES AND REGULATIONS:

Service supplied under this Schedule shall be subject to the Rules and Regulations of the Company.

MAUI ELECTRIC COMPANY, LIMITED

Superseding Revised Sheet No. 100  
Effective May 1, 1999

REVISED SHEET NO. 100  
Effective July 4, 1999

MOLOKAI DIVISION

RATE SCHEDULES

The following listed sheets contain all rates in effect on and after the date indicated thereon subject to the Rules and Regulations of the Company applicable thereto:

<u>Sheet</u>	<u>Schedule</u>	<u>Date Effective</u>	<u>Character of Service</u>
(PAGE 102.1 IS NOT ASSIGNED)			
103	"R"	July 4, 1999	Residential Service
104	"R"	August 18, 1994	Residential Service
105	"G"	April 15, 1999	General Service Non-Demand
106	"G"	August 18, 1994	General Service Non-Demand
107	"J"	April 15, 1999	General Service Demand
108	"J"	May 5, 1997	General Service Demand
109	"H"	April 15, 1999	Commercial Cooking, Heating, Air Conditioning & Refrigeration Service
110	"H"	August 18, 1994	Commercial Cooking, Heating, Air Conditioning & Refrigeration Service
111	"P"	April 15, 1999	Large Power Service
112	"P"	August 18, 1994	Large Power Service
113	"N"	April 15, 1999	Contract Off-Peak and Interruptible Service
114	"N"	August 18, 1994	Contract Off-Peak and Interruptible Service
115	"F"	April 15, 1999	Public Street Lighting
116	"F"	August 18, 1994	Public Street Lighting
117	"U"	April 15, 1999	Time-of-Use Service
118	"U"	May 5, 1997	Time-of-Use Service
119	"U"	August 18, 1994	Time-of-Use Service
120	"E"	June 1, 1996	Electric Service for Employees

MAUI ELECTRIC COMPANY, LIMITED

Transmittal No. 99-01M Dated June 3, 1999.  
Order No. 17041 Dated June 21, 1999.



Superseding Revised Sheet No. 101  
Effective April 1, 2006

REVISED SHEET NO. 101  
Effective June 1, 2006

MOLOKAI DIVISION

RATE SCHEDULES (continued)

<u>Sheet</u>	<u>Schedule</u>	<u>Date Effective</u>	<u>Character of Service</u>
121	Energy Cost Adjustment Clause	April 15, 1999	All Schedules Except Schedule Q
122	Energy Cost Adjustment Clause	April 15, 1999	All Schedules Except Schedule Q
123	Rider "I"	August 18, 1994	Interruptible Contract Service
124	Rider "M"	April 15, 1999	Off-Peak and Curtailable Service
125	Rider "M"	April 15, 1999	Off-Peak and Curtailable Service
126	Rider "M"	April 15, 1999	Off-Peak and Curtailable Service
126A	Rider "M"	April 15, 1999	Off-Peak and Curtailable Service
127	Rider "T"	May 5, 1997	Time-of-Day Service
128	Rider "T"	August 18, 1994	Time-of-Day Service
129	IRP Cost Recovery Provision	June 1, 2006	All Schedules Except Schedule Q
129A	IRP Cost Recovery Provision	June 1, 2006	All Schedules Except Schedule Q
130	"Q"	April 15, 1999	Purchases From Qualifying Facilities-100KW or Less
131	"Q"	April 15, 1999	Purchases From Qualifying Facilities-100KW or Less

MAUI ELECTRIC COMPANY, LIMITED

Transmittal Letter Dated May 31, 2006.

Superceding Sheet No. 101A  
Effective January 1, 1999

REVISED SHEET NO. 101A  
Effective April 15, 1999

MOLOKAI DIVISION

RATE SCHEDULES (continued)

<u>Sheet</u>	<u>Schedule</u>	<u>Date Effective</u>	<u>Character of Service</u>
132	Green Pricing Program Provision	January 1, 1999	Green Pricing
132A	Green Pricing Program Provision	January 1, 1999	Green Pricing
133	Rider EV-R	April 15, 1999	Residential Electric Vehicle Charging Service
133A	Rider EV-R	April 15, 1999	Residential Electric Vehicle Charging Service
134	Rider EV-C	April 15, 1999	Commercial Electric Vehicle Charging Service
134A	Rider EV-C	April 15, 1999	Commercial Electric Vehicle Charging Service

MAUI ELECTRIC COMPANY, LIMITED

Superseding Revised Sheet No. 103  
Effective April 15, 1999

REVISED SHEET NO. 103  
Effective July 4, 1999

MOLOKAI DIVISION

SCHEDULE "R"

Residential Service

Availability:

Applicable to residential lighting, heating, cooking, air conditioning and power in a single family dwelling unit metered and billed separately by the Company only when the structure serves as the principal residence of a resident of Molokai. This schedule does not apply where residence and business are combined.

Service will be delivered at secondary voltages as specified by the Company.

Rate:

CUSTOMER CHARGE:

Single phase service - per month	\$7.50
Three phase service - per month	\$12.00

NON-FUEL ENERGY CHARGE (To be added to Customer Charge)

All kwhr per month - per kwhr	12.0392 cents
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BASE FUEL/ENERGY CHARGE (To be added to Customer Charge and Non-Fuel Energy Charge)

All kwhr per month - per kwhr	5.3991 cents
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Minimum Charge:

The minimum monthly charge shall be \$17.00

Apartment House Collection Arrangement:

Any apartment owner having three or more apartments at one location, each apartment being separately metered and billed on the above rate, may elect to accept a discount of ten percent (10%) of the amount of the bills rendered for each apartment, but not to exceed \$6.50 per month for each apartment, upon entering into the following collection agreement with the Company under the following terms and conditions:

- 1) All accounts shall be kept in the name of the apartment house owner who shall assume the responsibility for the prompt payment of all bills.

MAUI ELECTRIC COMPANY, LIMITED

Transmittal No. 99-01M Dated June 3, 1999.  
Order No. 17041 Dated June 21, 1999.

Superseding Schedule "R" Sheet  
Effective June 21, 1982

SHEET NO. 104  
Effective August 18, 1994

MOLOKAI DIVISION

SCHEDULE "R" (continued)

- 2) All accounts shall remain active at all times and, though vacant, shall be subject to the minimum charge. Individual apartments cannot be added or deleted from this agreement more often than once in twelve months.
- 3) The Company will render individual bills for each apartment on a regular billing period basis and will also furnish a statement showing gross and net billings.

Energy Cost Adjustment Clause:

The energy cost adjustment provided in the Energy Cost Adjustment Clause shall be added to the Customer, Demand, and Energy Charges.

Integrated Resource Planning Cost Recovery Clause:

The Integrated Resource Planning Adjustment provided in the Integrated Resource Cost Recovery Clause shall be added to the Customer, Demand, and Energy Charges, and energy cost adjustment.

Rules and Regulations:

Service supplied under this rate shall be subject to the Rules and Regulations of the Company.

MAUI ELECTRIC COMPANY, LIMITED

Superseding Revised Sheet No. 105  
Effective May 5, 1997

REVISED SHEET NO. 105  
Effective April 15, 1999

MOLOKAI DIVISION

SCHEDULE "G"

General Service Non-Demand

Availability:

Applicable to general light and/or power loads less than or equal to 5000 kwh per month, and less than or equal to 25 kilowatts, and supplied through a single meter.

If a customer's usage exceeds 5000 kwh per month or in the opinion of the Company exceeds 25 kw of demand three times in a twelve-month period, a demand meter will be installed and the customer's billing will be transferred to Schedule "J" beginning with the next convenient billing period.

Service will be delivered at secondary voltages as specified by the Company, except that where the nature or location of the customer's load makes delivery at secondary voltage impractical, the Company may, at its option, deliver the service at a nominal primary voltage as specified by the Company. Service supplied at primary voltage shall be subject to the special terms and conditions set forth below.

Rate:

CUSTOMER CHARGE:

Single phase service - per month	\$22.00
Three phase service - per month	\$33.00

ENERGY CHARGE: (To be added to Customer Charge)

All kwhr per month - per kwhr	23.7929 cents
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Minimum Charge:

Single phase service - per month	\$27.00
Three phase service - per month	\$38.00

Primary Supply Voltage Service:

Where, at the option of the Company, service is delivered and metered at the primary supply line voltage, the above energy charges will be decreased by 2.0%. When customers' transformers are adjacent to the delivery point, the Company may permit the customer to be metered at a single point on the secondary side of his transformers where such point is approved by the Company. When the energy is metered on the secondary side of the customers' transformers, the above energy charge will be decreased by 1.0%.

MAUI ELECTRIC COMPANY, LIMITED

Superseding Schedule "GND" Sheet  
Effective June 21, 1982

SHEET NO. 106  
Effective August 18, 1994

MOLOKAI DIVISION

Schedule "G" (continued)

Energy Cost Adjustment Clause:

The energy cost adjustment provided in the Energy Cost Adjustment Clause shall be added to the Customer, Demand, and Energy Charges.

Integrated Resource Planning Cost Recovery Clause:

The Integrated Resource Planning Adjustment provided in the Integrated Resource Cost Recovery Clause shall be added to the Customer, Demand, and Energy Charges, and energy cost adjustment.

Rules and Regulations:

Service supplied under this rate shall be subject to the Rules and Regulations of the Company.

MAUI ELECTRIC COMPANY, LIMITED

Superseding Revised Sheet No. 107  
Effective May 5, 1997

REVISED SHEET NO. 107  
Effective April 15, 1999

MOLOKAI DIVISION

SCHEDULE "J"

General Service Demand

Availability:

Applicable to general light and/or power loads which exceed 5000 kilowatthours per month three times within a twelve-month period, or 25 kilowatts, and supplied through a single meter.

Rate:

CUSTOMER CHARGE:

Single phase service - per month	\$30.00
Three phase service - per month	\$40.00

DEMAND CHARGE - (To be added to Customer Charge)

All kw of billing demand	\$4.75 per month per kw
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ENERGY CHARGE: (To be added to Customer and Demand Charges)

First	200 kwhr/month/kw of billing demand - per kwhr	19.6204 cents
Next	200 kwhr/month/kw of billing demand - per kwhr	13.7734 cents
All over	400 kwhr/month/kw of billing demand - per kwhr	11.9444 cents

Minimum Charge:

The minimum monthly charge shall be the sum of the Customer and the Demand Charges. The Demand Charge shall be computed with the above demand charge applied to kilowatts of demand, but not less than \$118.75 per month. The kilowatts of demand for the minimum charge calculation each month shall be the highest of the maximum demand for the month, the greatest maximum demand of the preceding eleven months or 25 kw.

Determination of Demand:

The maximum demand for each month shall be the maximum average load in kw during any fifteen-minute period as indicated by a demand meter. The billing demand for each month shall be the maximum demand for such month but not less than 75% of the greatest maximum demand for the preceding eleven months nor less than 25 kw.

MAUI ELECTRIC COMPANY, LIMITED

Superseding Sheet No. 108  
Effective August 18, 1994

Revised SHEET NO. 108  
Effective May 5, 1997

MOLOKAI DIVISION

SCHEDULE "J" (continued)

Power Factor:

For customers with maximum measured demands in excess of 100 kilowatts per month for any one time within a 12-month period, the following power factor adjustment will apply to the energy and demand charges.

For each 1% the average power factor is above or below 90%, the energy and demand charges as computed under the above rates shall be decreased or increased, respectively, by 0.15%. The power factor will be computed to the nearest whole percent.

In no case, however, shall the power factor be taken as more than 100% for the purpose of computing the adjustment.

The average monthly power factor will be determined from the readings of a Kwh meter and a Kvarh meter. The Kvarh meter shall be ratcheted to prevent reversal in the event the power factor is leading any time.

Primary Supply Voltage Service:

Where, at the option of the Company, service is delivered and metered at the primary supply line voltage, the above energy and demand charges will be decreased by 2.0%. When customers' transformers are adjacent to the delivery point, the Company may permit the customer to be metered at a single point on the secondary side of his transformers where such point is approved by the Company. When the energy is metered on the secondary side of the customers' transformers, the above energy and demand charges will be decreased by 1.0%.

Energy Cost Adjustment Clause:

The energy cost adjustment provided in the Energy Cost Adjustment Clause shall be added to the Customer, Demand, and Energy Charges.

Integrated Resource Planning Cost Recovery Clause:

The Integrated Resource Planning Adjustment provided in the Integrated Resource Cost Recovery Clause shall be added to the Customer, Demand, and Energy Charges, and energy cost adjustment.

Rules and Regulations:

Service supplied under this rate shall be subject to the Rules and Regulations of the Company.

MAUI ELECTRIC COMPANY, LIMITED



Superseding Revised Sheet No. 109  
Effective May 5, 1997

REVISED SHEET NO. 109  
Effective April 15, 1999

MOLOKAI DIVISION

SCHEDULE "H"

Commercial Cooking, Heating  
Air Conditioning and Refrigeration Service

Availability:

Applicable to commercial cooking, heating (including heat pump waterheaters), air conditioning and refrigeration service. This schedule applies only where the voltage supplied by the Company is less than 600 volts.

Rate:

CUSTOMER CHARGE:

Single phase service - per month	\$22.00
Three phase service - per month	\$28.00

DEMAND CHARGE: (To be added to Customer Charge)

\$6.00 per month per kw of required kw load, but in no case less than \$6.00 per month.

ENERGY CHARGE: (To be added to Customer and Demand Charges)

All kwhr per month - per kwhr	14.0975 cents
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Minimum Charge:

The minimum monthly charge shall be the sum of Customer and Demand Charges.

Determination of Required kw load:

The required kw load for billing purposes shall be:

A. The sum of:

- 1) The total connected motor load;
- 2) 50% of the connected heating load, exclusive of cooking and all-electric resistance and heat pump waterheating; and
- 3) the connected all-electric waterheating load in excess of one-sixth kilowatt per gallon of storage capacity; or

MAUI ELECTRIC COMPANY, LIMITED

Superseding Schedule "H" Sheet  
Effective June 21, 1982

SHEET NO. 110  
Effective August 18, 1994

MOLOKAI DIVISION

SCHEDULE "H" (continued)

- B. When the load is 25 KW or more the demand may be determined by measured demand. The maximum demand for each month shall be the maximum average load during any fifteen-minute period as indicated by a demand meter. The demand for each month shall be the maximum demand for such month, the highest demand in the preceding eleven months, or 25 KW, whichever is highest. Measured demand service under this schedule will be referred to as Schedule "K" service.

The required kw load will be determined to the nearest one-tenth kw.

Energy Cost Adjustment Clause:

The energy cost adjustment provided in the Energy Cost Adjustment Clause shall be added to the Customer, Demand, and Energy Charges.

Integrated Resource Planning Cost Recovery Clause:

The Integrated Resource Planning Adjustment provided in the Integrated Resource Cost Recovery Clause shall be added to the Customer, Demand, and Energy Charges, and energy cost adjustment.

Term of Contract:

Not less than one year.

Rules and Regulations:

Service supplied under this rate shall be subject to the Rules and Regulations of the Company.

MAUI ELECTRIC COMPANY, LIMITED

Superseding Revised Sheet No. 111  
Effective May 5, 1997

REVISED SHEET NO. 111  
Effective April 15, 1999

MOLOKAI DIVISION

SCHEDULE "P"

Large Power Service

Availability:

Applicable to large light and/or power service supplied and metered at a single voltage and delivery point.

Rate:

CUSTOMER CHARGE - per month \$75.00:

DEMAND CHARGE - (To be added to Customer Charge)

First	500 kw of billing demand	\$5.00 per month per kw
Over	500 kw of billing demand	\$4.85 per month per kw

ENERGY CHARGE - (To be added to Customer and Demand Charges)

First	200 kwhr/month/kw of billing demand	- per kwhr 16.3763 cents
Next	200 kwhr/month/kw of billing demand	- per kwhr 14.2763 cents
All over	400 kwhr/month/kw of billing demand	- per kwhr 7.1313 cents

Minimum Charge:

The minimum monthly charge shall be the sum of the Customer and the Demand Charges. The Demand Charge shall be computed with the above demand charges applied to kilowatts of demand. The kilowatts of demand for the minimum charge calculation each month shall be the highest of the maximum demand for the month, the greatest maximum demand of the preceding eleven months, or the minimum billing demand specified below.

Determination of Demand:

The maximum demand for each month shall be the maximum average load in kw during any fifteen-minute period as indicated by a demand meter. The billing demand for each month shall be the maximum demand for such month or the mean of current monthly maximum demand and the greatest maximum demand for the preceding eleven months, whichever is the higher, but not less than the minimum billing demand of 100 kw.

Power Factor:

The above demand and energy charges are based upon an average monthly power factor of 90%. For each 1% the average power factor is above or below 90%, the monthly bill as computed under the demand and energy charges shall be decreased or increased, respectively, by 0.15%. The power factor will be computed to the nearest whole percent.

MAUI ELECTRIC COMPANY, LIMITED

Superseding Schedule "P" Sheet  
Effective June 21, 1982

SHEET NO. 112  
Effective August 18, 1994

MOLOKAI DIVISION

SCHEDULE "P" (continued)

In no case, however, shall the power factor be taken as more than 100% for the purpose of computing the adjustment.

The average monthly power factor will be determined from the readings of a Kwh meter and Kvarh meter. The Kvarh meter shall be ratcheted to prevent reversal in the event the power factor is leading at any time.

Special Terms and Conditions:

Supply Voltage Delivery:

If the customer takes delivery at the Company's supply line voltage, the demand and energy charges will be decreased as follows:

Transmission voltage supplied without further transformation 4.9%  
Distribution voltage supplied without further transformation 2.0%

Metering will normally be at the delivery voltage. When customer's transformers are adjacent to the delivery point, the customer may elect to be metered at a single point on the secondary side of his transformers where such point is approved by the Company. When the energy is metered on the secondary side of the customer's transformers, the above decreases will be 3.9% and 1.0% respectively.

Energy Cost Adjustment Clause:

The energy cost adjustment provided in the Energy Cost Adjustment Clause shall be added to the Customer, Demand, and Energy Charges.

Integrated Resource Planning Cost Recovery Clause:

The Integrated Resource Planning Adjustment provided in the Integrated Resource Cost Recovery Clause shall be added to the Customer, Demand, and Energy Charges, and energy cost adjustment.

Term of Contract:

Not less than one year.

Rules and Regulations:

Service supplied under this rate shall be subject to the Rules and Regulations of the Company.

MAUI ELECTRIC COMPANY, LIMITED

Superseding Revised Sheet No. 113  
Effective May 5, 1997

REVISED SHEET NO. 113  
Effective April 15, 1999

MOLOKAI DIVISION

SCHEDULE "N"

Contract Off-Peak And Interruptible Service

Availability:

Applicable to service only between the hours of 10:00 p.m. and 6:00 a.m. daily, supplied and metered at a single voltage and delivery point. Service under this schedule shall be subject to disconnection by the utility under the terms and conditions set forth in the contract agreement, or when required by the system generation capacity.

Rate:

CUSTOMER CHARGE - per month \$75.00

DEMAND CHARGE - (To be added to Customer Charge)

All Kw of billing demand \$1.70 per month per Kw

ENERGY CHARGE - (To be added to the Customer and Demand Charges)

All kwhr per month - per kwhr 7.1313¢ per kwhr

Minimum Charge:

The minimum monthly charge shall be the sum of the Customer and the Demand Charges. The Demand Charge shall be computed with the above demand charge applied to kilowatts of demand, but not less than \$170.00 per month. The kilowatts of demand for the minimum demand for such month shall be the highest of the maximum demand for such month, the greatest maximum demand of the preceding eleven months, or 100 kw.

Determination of Demand:

The maximum demand for each month shall be the maximum average load in kw during any fifteen-minute period as indicated by a demand meter. The billing demand for each month shall be the maximum demand for such month, or the mean of current monthly maximum demand and the greatest maximum demand for the preceding eleven months, whichever is the higher, but not less than 100 kw.

MAUI ELECTRIC COMPANY, LIMITED

Docket No. 97-0346  
Amended D&O No. 16922

SHEET NO. 114  
Effective August 18, 1994

MOLOKAI DIVISION

SCHEDULE "N" (continued)

Power Factor:

The above demand and energy charges are based upon an average monthly power factor of 90%. For each 1% the average power factor is above or below 90%, the demand and energy charges as computed above shall be decreased or increased, respectively, by 0.15%. The power factor shall be computed to the nearest whole percent. In no case, however, shall the power factor be taken as more than 100% for the purpose of computing the adjustment.

The average monthly power factor will be determined from the readings of a Kwh meter and Kvarh meter. The Kvarh meter shall be ratcheted to prevent reversal in the event the power factor is leading at any time.

Primary Supply Voltage Service:

Where, at the option of the Company, service is delivered and metered at the primary supply line voltage, the above demand and energy charges will be decreased by 2%. When customers' transformers are adjacent to the delivery point, the Company may permit the customer to be metered at a single point on the secondary side of his transformers where such point is approved by the Company. When the service is metered on the secondary side of the customers' transformers, the above demand and energy charges will be decreased by 1%.

Energy Cost Adjustment Clause:

The energy cost adjustment provided in the Energy Cost Adjustment Clause shall be added to the Customer, Demand, and Energy Charges.

Integrated Resource Planning Cost Recovery Clause:

The Integrated Resource Planning Adjustment provided in the Integrated Resource Cost Recovery Clause shall be added to the Customer, Demand, and Energy Charges, and energy cost adjustment.

Term of Contract:

The customer applying for service under this schedule shall sign a contract with the Company, with a term of not less than one year.

Rules and Regulations:

Service supplied under this schedule shall be subject to the Rules and Regulations of the Company.

MAUI ELECTRIC COMPANY, LIMITED

Superseding Revised Sheet No. 115  
Effective May 5, 1997

REVISED SHEET NO. 115  
Effective April 15, 1999

MOLOKAI DIVISION

SCHEDULE "F"

Public Street Lighting

Availability:

Applicable to public street and highway lighting service supplied on the Island of Molokai where the Company owns, maintains and operates the street lighting facilities.

Rate:

ENERGY CHARGE:

First 150 kwhr/month/kw of billing demand - per kwhr 20.2685 cents  
All over 150 kwhr/month/kw of billing demand - per kwhr 15.8625 cents

FIXTURE CHARGE:

150 or 300 Watt Incandescent	\$6.00 per unit per month
250 Watt Mercury	\$11.00 per unit per month
400 Watt Mercury	\$11.00 per unit per month
100 Watt High Pressure Sodium	\$11.00 per unit per month
150 Watt High Pressure Sodium	\$11.00 per unit per month
250 Watt High Pressure Sodium	\$11.00 per unit per month

Minimum Charge:

Fixture Charge + \$25.00 per month.

Terms and Conditions:

1. Determination of Energy:

Standard service will be unmetered dusk-to-dawn service. For the unmetered installations, the demand shall be the connected load of the lamp and appurtenances in kilowatts to the nearest 1/10. The kilowatthours shall be the connected load times 340. The demand of metered installations may be by demand or by test.

2. Standard Equipment Furnished:

Bracket or mast arm construction will be furnished and attached to existing wooden poles and secondary voltage.

MAUI ELECTRIC COMPANY, LIMITED

Superseding "Street Lighting" Sheet  
Effective June 21, 1982

SHEET NO. 116  
Effective August 18, 1994

MOLOKAI DIVISION

SCHEDULE "F" (Continued)

3. Other Than Standard Equipment:

Where the customer requests the installation of other than the standard equipment be furnished by the Company, including underground facilities and such requested equipment is acceptable to the Company, the Company will install the requested equipment provided the customer agrees to make a contribution of the estimated difference in cost installed between such equipment and standard equipment.

Contribution made for this purpose will not be refunded. Where the customer requests fixtures to be installed on electroliers or other ornamental standards that are acceptable to the Company, in lieu of making the contribution, the customer may elect to pay added facilities charge of 1-3/4% per month of the added investment required for such facilities. Facilities installed in connection with such agreements become and remain the sole property of the utility.

4. Replacement Cost:

Where the customer requests an existing street lighting fixture or electrolier be replaced with another type, the customer shall make a contribution of the estimated cost of the new equipment installed plus the cost of the removal of the existing equipment.

Energy Cost Adjustment Clause:

The energy cost adjustment provided in the Energy Cost Adjustment Clause shall be added to the Customer, Demand, and Energy Charges.

Integrated Resource Planning Cost Recovery Clause:

The Integrated Resource Planning Adjustment provided in the Integrated Resource Cost Recovery Clause shall be added to the Customer, Demand, and Energy Charges, and energy cost adjustment.

Rules and Regulations:

Service supplied under this rate shall be subject to the Rules and Regulations of the Company.

MAUI ELECTRIC COMPANY, LIMITED



Superseding Sheet No. 117  
Effective May 5, 1997

REVISED SHEET NO. 117  
Effective April 15, 1999

MOLOKAI DIVISION  
SCHEDULE U  
TIME-OF-USE SERVICE

AVAILABILITY:

Applicable to general light and/or power loads which exceed 25 kilowatts per month and supplied and metered at a single voltage and delivery point. This Schedule cannot be used in conjunction with load management Riders "M", "T", and "I".

TIME-OF-DAY RATING PERIODS:

The time-of-day rating periods shall be as follows:

On-Peak Period: 7:00 a.m. - 9:00 p.m., daily  
Off-Peak Period: 9:00 p.m. - 7:00 a.m., daily

RATE:

CUSTOMER CHARGE - per month \$100.00

DEMAND CHARGE - (To be added to Customer Charge)

All On-Peak Kw of billing demand - per Kw \$25.00

ENERGY CHARGE - (To be added to Customer and Demand Charges)

All On-Peak Kwhr per month - per Kwhr 19.6204 cents

All Off-Peak Kwhr per month - per Kwhr 7.1313 cents

Minimum Charge:

The monthly minimum charge shall be the sum of the Customer and the Demand Charges. The Demand Charge shall be computed with the above demand charge applied to kilowatts of demand. The kilowatts of billing demand for the minimum charge calculation for each month shall be the highest of the maximum on-peak demand for such month, but not less than 25 kw.

MAUI ELECTRIC COMPANY, LIMITED

Superseding Sheet No. 118  
Effective August 18, 1994

REVISED SHEET NO. 118  
Effective May 5, 1997

MOLOKAI DIVISION

Schedule "U" (Continued)

DETERMINATION OF TIME-OF-USE ENERGY AND DEMAND:

The Company shall install a time-of-use meter to measure the customer's energy consumption and peak load during the time-of-day rating periods. The maximum demand for the rating periods for each month shall be the maximum average load in kilowatts during any fifteen-minute period as indicated by a time-of-use meter. The on-peak kilowatts of billing demand for each month shall be the maximum on-peak demand for such month, but not less than 25 kilowatts.

Power Factor:

For customers with demand in excess of 100 kilowatts, the following power factor adjustment will apply to the energy and demand charges.

The above energy and demand charges are based upon an average monthly power factor of 90%. For each 1% the average power factor is above or below 90%, the monthly energy and demand charges as computed under the above rates shall be decreased or increased, respectively, by 0.15%.

The average monthly power factor will be determined from the readings of a Kwh meter and kVarh meter, and will be computed to the nearest whole percent and not exceeding 100% for the purpose of computing the adjustment. The kVarh meter shall be ratcheted to prevent reversal in the event the power factor is leading at any time.

Special Terms and Conditions:

Supply Voltage Delivery:

If the customer takes delivery at the Company's supply line voltage, the demand and energy charges will be decreased as follows:

Transmission voltage supplied without further transformation 4.9%  
Distribution voltage supplied without further transformation 2.0%

Metering will normally be at the delivery voltage. When the customer's transformers are adjacent to the delivery point, the customer may elect to be metered at a single point on the secondary side of his transformers where such point is approved by the Company. When the energy is metered on the secondary side of the customer's transformers, the above decreases will be 3.9% and 1.0%, respectively.

MAUI ELECTRIC COMPANY, LIMITED

SHEET NO. 119  
Effective August 18, 1994

MOLOKAI DIVISION

Schedule "U" (Continued)

Energy Cost Adjustment Clause:

The energy cost adjustment provided in the Energy Cost Adjustment Clause shall be added to the Customer, Demand, and Energy Charges.

Integrated Resource Planning Cost Recovery Clause:

The Integrated Resource Planning Adjustment provided in the Integrated Resource Cost Recovery Clause shall be added to the Customer, Demand, and Energy Charges, and energy cost adjustment.

Term of Contract:

Not less than five years.

Rules and Regulations:

Service supplied under this rate shall be subject to the Rules and Regulations of the Company.

MAUI ELECTRIC COMPANY, LIMITED

Superseding Sheet No. 120  
Effective August 18, 1994

REVISED SHEET NO. 120  
Effective June 1, 1996

MOLOKAI DIVISION

SCHEDULE "E"

Electric Service for Employees

Availability:

Applicable to all regular full-time Company employees, Company retirees, members of the Company Board of Directors, and retirees of Hawaiian Electric Company, Inc. and Hawaii Electric Light Company, Inc. who retired on or after January 1, 1996 and who are served by Maui Electric Company, Ltd. This schedule is applicable to the above customers' residential electric service in a single family dwelling unit metered and billed separately by the Company, subject to the Special Terms and Conditions specified below. This schedule does not apply where a residence and business are combined.

Rate:

The rates applicable to service under this schedule shall be two-thirds (2/3) of the current effective Schedule R rates - Residential Service, for usage up to 825 kwh per month. Energy usage above 825 kwh shall be billed the full Schedule R energy rates.

Special Terms and Conditions:

1. "Regular full-time Company employee" is defined as an employee who has successfully completed any required probationary requirements, is hired for an indefinite period, and who works no less than 40 hours per week.
2. This schedule is applicable only to primary residences.
3. Availability of this schedule terminates six months after death of eligible employee, retiree, or member of the Board of Directors.

Rules and Regulations:

Service supplied under this schedule shall be subject to the Rules and Regulations of the Company.

MAUI ELECTRIC COMPANY, LIMITED

Docket No. 94-0345  
Interim Decision and Order No. 14509  
May 28, 1996 Approval of April 30, 1996 Letter Request

Superseding Sheet No. 121  
Effective May 5, 1997

REVISED SHEET NO. 121  
Effective April 15, 1999

MOLOKAI DIVISION

ENERGY COST ADJUSTMENT CLAUSE

Applicable To

Schedule "R" - Residential Service  
Schedule "E" - Electric Service For Employees  
Schedule "G" - General Service - Non Demand  
Schedule "J" - General Service - Demand  
Schedule "H" - Commercial Cooking, Heating, Air  
Conditioning and Refrigeration Service  
Schedule "P" - Large Power Service  
Schedule "N" - Contract Off-Peak and Interruptible Service  
Schedule "F" - Public Street Lighting  
Schedule "U" - Time-of-Use Service

All terms and provisions of Schedules "R", "E", "G", "J", "H", "P", "N", "F" and "U" are applicable, except that the Energy Cost Adjustment described below will be added to the customer bills.

All base rate schedule discounts, surcharges, and all other adjustments will not apply to the energy cost adjustment.

Energy Cost Adjustment Clause:

This Energy Cost Adjustment Clause shall include the following:

FUEL AND PURCHASED ENERGY - The above rates are based on a cost of fuel for Company generation of 467.54 cents per million Btu for fuel delivered in its service tanks and a cost for purchased energy of 4.448 cents per kilowatthour. Company-generated energy from non-fuel sources shall be considered as zero fuel cost in the determination of the composite fuel cost. When the Company-generated net energy cost is more or less than 467.54 cents per million Btu, and/or the purchased energy cost is more or less than 4.448 cents per kilowatthour, there shall be a corresponding adjustment to the base charges. This Adjustment shall be comprised of a Company Generation Component and a Purchased Energy Component.

The Company Generation Component shall be the difference in current generation cost and base generation cost, adjusted for additional revenue taxes. The current generation cost shall be determined by the current fuel cost in cents per million Btu, multiplied by a generation conversion factor of 0.010522 million Btu per kilowatthour, weighted by the proportion of current Company generation to total system net energy in kilowatthours. The base generation cost is the base fuel cost of 467.54 cents per million Btu multiplied by a generation

MAUI ELECTRIC COMPANY, LIMITED

Superseding Sheet No. 122  
Effective May 5, 1997

REVISED SHEET NO. 122  
Effective April 15, 1999

MOLOKAI DIVISION

Energy Cost Adjustment Clause (Continued)

conversion factor of 0.010522 million Btu per kilowatthour, weighted by the proportion of the 1999 test year generation to total system energy in kilowatthours.

The Purchased Energy Component shall be the difference between (1) the current purchased energy cost weighted by the proportion of current purchased energy to total system net energy, and (2) the base purchased energy cost of 4.448 cents per kilowatthour weighted by the proportion of the 1999 test year purchased energy to total system net energy, adjusted to the sales delivery level and for additional revenue taxes. The Energy Cost Adjustment Factor shall be the sum of the Generation Component and the Purchased Energy Component.

The revenue tax requirement shall be calculated using current rates of the Franchise Tax, Public Service Company Tax, and Public Utility Commission fee.

The Adjustment shall be effective on the date of cost change. When a cost change occurs during a customer's billing period, the Adjustment will be prorated for the number of days each cost was in effect.

This Energy Cost Adjustment Clause is consistent with the terms of the Company's operations and purchased energy contracts and may be revised to reflect any revisions or changes in operations and the purchased energy contracts, subject to approval by the Commission.

Reconciliation Adjustment:

In order to reconcile any differences that may occur between recorded and forecasted Energy Cost Adjustment Clause revenues, the year-to-date recorded revenue from the Energy Cost Adjustment Clause will be compared with the year-to-date revenue expected from the Energy Cost Adjustment Clause on a quarterly basis. If there is a variance between the recorded Energy Cost Adjustment Clause revenue and the expected Energy Cost Adjustment Clause revenue, an adjustment, lagged by two months, shall be made to the Energy Cost Adjustment Factor to reconcile the revenue variance over the sales estimated for the subsequent quarter.

MAUI ELECTRIC COMPANY, LIMITED

SHEET NO. 123  
Effective August 18, 1994

MOLOKAI DIVISION

RIDER "I"

Interruptible Contract Service

Availability:

This Rider is applicable to service supplied and metered at a single voltage and delivery point where 500 kw or greater is subject to disconnection by the utility under the terms and conditions as set forth in the contract agreement.

Rates:

Reduction in demand charge as set forth in a contract between the customer and the utility and approved by the Public Utilities Commission.

Term of Contract:

Not less than five years.

MAUI ELECTRIC COMPANY, LIMITED

Superseding Revised Sheet No. 124  
Effective May 5, 1997

REVISED SHEET NO. 124  
Effective April 15, 1999

MOLOKAI DIVISION

RIDER "M"

Off-Peak and Curtailable Service

Availability:

This Rider is available to service supplied in rate Schedule "J" or "P" whose maximum measured demands prior to any load modifications effected under this rider, exceed 100 and 300 kilowatts, respectively. This rider cannot be used in conjunction with Rider T, Rider I, or Schedule U.

Rates:

A. Basic Rates

The rates for service under this Rider shall be as specified under the regular Schedule "J" or "P", whichever is applicable except that the Minimum Charge and the determination of billing demand used in the calculation of demand and energy charges shall be as defined below, subject to the requirements of the Determination of Demand provision of the applicable rate schedule.

The customer shall select Option A - Off-Peak Service or Option B - Curtailable Service:

OPTION A - OFF-PEAK SERVICE

- 1) Any demand occurring during the off-peak period shall not be considered in determining the billing kW demand for each month, but shall be used in determining the excess off-peak charge. Only the maximum kW demand occurring during the on-peak period shall be used in the determination of the billing kW demand for the calculation of the demand charge, energy charge and minimum charge as specified in the regular Schedule J or P.
- 2) An Excess Off-Peak Charge of \$1.00 per kilowatt shall be added to the regular rate schedule charges for each kilowatt that the maximum off-peak demand exceeds the maximum demand during the on-peak period.
- 3) For calculation of the excess off-peak charge for each month, the maximum off-peak demand and maximum demand during the on-peak period shall be the highest measured demands during the respective periods for such month.

MAUI ELECTRIC COMPANY, LIMITED



Superseding Revised Sheet No. 125  
Effective May 5, 1997

REVISED SHEET No. 125  
Effective April 15, 1999

MOLOKAI DIVISION

RIDER "M" (continued)

- 4) The time-of-use rating periods shall be defined as follows:

On-Peak Period	7 a.m. - 9 p.m.	Fourteen hours Daily
Off-Peak Period	9 p.m. - 7 a.m.	Ten continuous hours Daily
- 5) The monthly minimum charge shall be the sum of the customer charge and demand charge in the applicable rate schedule, and the Excess Off-Peak Charge and Time-of-Day Metering Charge specified below.

OPTION B: CURTAILABLE SERVICE:

- 1) A customer who chooses curtailable service shall curtail its kW load during the Company's curtailment hours, and shall specify the curtailable kW load. This curtailable load must be load that is normally operated during the Company's curtailment hours and must be at least 50 kW and 150 kW of load under Schedules "J" and "P" respectively. The Company may install a meter to measure the customer's curtailable load prior to the start of curtailable service under this Rider.
- 2) For billing purposes, the curtailed kW demand shall be determined monthly as the difference between the maximum kW demand outside of the curtailment hours and the maximum kW demand during the curtailment hours measured for each month, but not to exceed the curtailable kW load specified in the customer's Rider M contract.
- 3) The customer shall choose one of the curtailment periods specified below. The billing demand under this curtailable service option shall be the normal billing demand under Schedule "J" or "P" reduced by:
  - Option 1) 75% of the curtailed demand if the curtailment hours are the Company's priority peak period defined from 5:00 p.m. to 9 p.m., Monday through Friday; or
  - Option 2) 40% of the curtailed kilowatt demand if the curtailment hours are two (2) consecutive hours as specified by the Company.

MAUI ELECTRIC COMPANY, LIMITED

Superseding Revised Sheet No. 126  
Effective May 5, 1997

REVISED SHEET NO. 126  
Effective April 15, 1999

MOLOKAI DIVISION

RIDER "M" (continued)

- 4) The monthly minimum charge shall be the sum of the customer charge and demand charge in the applicable rate schedule, and the Time-of-Day Metering Charge specified below.

Where the Company specifies the curtailment hours, the Company shall give the customer at least 30 days notice prior to changing the curtailment hours.

B. TIME-OF-DAY METERING CHARGE:

The Company shall install a time-of-use meter to measure the customer's maximum kW load during the time-of-day rating periods and curtailment hours.

An additional time-of-day metering charge of \$10 per month shall be assessed to cover the additional cost of installing, operating, and maintaining a time-of-use meter.

C. TERMS OF CONTRACT:

1. The initial term of contract shall be at least 3 years. Thereafter, the contract will be automatically renewed in 3-year increments until terminated by either party by a 30-day written notice.
2. A customer applying for service under this Rider shall sign a standard Rider M contract form with the Company.
3. The customer shall be allowed to take service under this Rider for a six-month trial period without penalty for termination within this period.
4. If the contract is terminated after the six-month trial period, but prior to the end of the initial contract term, the customer shall be assessed a termination charge equal to the last six months discount received under this Rider.

MAUI ELECTRIC COMPANY, LIMITED

SHEET NO. 126A  
Effective April 15, 1999

MOLOKAI DIVISION

RIDER "M" (continued)

5. The customer may request a change of Rider options (Option A - Off-Peak Service or Option B - Curtailable Service) or curtailment hours by providing a 30-day written notice to the Company. The change will become effective after the next regular meter reading following the receipt of such written notice by the Company, provided however, the Company may not be required to make such change until 12 months of service has been rendered after the last change, unless a new or revised Rider has been authorized, or unless a customer's operating conditions have altered so as to warrant such a change.
6. If under the curtailable service option the customer fails to curtail his demand during the curtailment hours three times within a twelve-month period, the Company may terminate the Rider M contract by a 30-day written notice to the customer. If the Rider M contract is terminated due to the customer's failure to curtail load, the customer may be assessed a termination charge equal to the last six months discount received under this Rider.
7. Service supplied under this Rider shall be subject to the Rules and Regulations of the Company.

MAUI ELECTRIC COMPANY, LIMITED

Superseding Sheet No. 127  
Effective August 18, 1994

REVISED SHEET NO. 127  
Effective May 5, 1997

MOLOKAI DIVISION

RIDER T  
TIME-OF-DAY RIDER

AVAILABILITY:

This rider is available to customers on rate Schedule "J", "K", or "P" but cannot be used in conjunction with the load management Rider M or Schedule U.

TIME-OF-DAY RATING PERIODS:

The time-of-day rating periods under this Rider shall be as follows:

On-Peak Period: 7:00 a.m. - 9:00 p.m., Daily  
Off-Peak Period: 9:00 p.m. - 7:00 a.m., Daily

RATE:

The rate(s) for service under this Rider including the Customer Charge, Energy Charge, and Demand Charge shall be as specified in the regular rate schedule, except that the following charges shall be added:

TIME-OF-DAY METERING CHARGE - per month           \$10.00

TIME-OF-DAY ENERGY CHARGE ADJUSTMENTS:

On-Peak Energy Surcharge - all on-peak kwh + 2.0 cents/kwh  
Off-Peak Energy Credit     - all off-peak kwh - 3.0 cents/kwh

MINIMUM CHARGE:

The Minimum Charge shall be as specified under the regular rate schedule except that it shall include the Time-of-Day Metering Charge. In addition, the average energy charge computed from the regular energy charge and the above Time-of-Day energy charge adjustments including the energy cost adjustment, cannot be lower than the off-peak avoided energy cost at the metering point.

DETERMINATION OF DEMAND:

The Determination of Demand shall be as specified in the regular rate schedule, except that only the on-peak Kw demand shall be used in the determination of the kilowatts of billing demand for the Demand Charge, the regular Energy Charge and the Minimum Charge calculations.

MAUI ELECTRIC COMPANY, LIMITED

SHEET NO. 128  
Effective August 18, 1994

MOLOKAI DIVISION

Rider T (Continued)

VOLTAGE SERVICE AND POWER FACTOR ADJUSTMENTS:

The voltage service and power factor adjustments shall be as specified in the regular rate schedule.

MEASUREMENT OF TIME-OF-DAY ENERGY AND DEMAND:

The Company shall install a time-differentiating meter to measure the customer's energy consumption and peak kw demand during the time-of-day rating periods.

TERMS OF AGREEMENT:

The customer applying for service under this Rider shall sign a standard Rider T agreement form with the Company. Service under this Rider shall not be less than five years. The customer may terminate service under this Rider during the first six months without penalty. If the customer terminates service after the first six months but before the end of the first five-year period which begins from the start date of the customer's service under this Rider, the customer shall be charged a termination fee equal to the amount of the last six months of discount received under this Rider.

MAUI ELECTRIC COMPANY, LIMITED

Superseding Revised Sheet No. 129  
Effective April 1, 2006

REVISED SHEET NO. 129  
Effective June 1, 2006

MOLOKAI DIVISION

INTEGRATED RESOURCE PLANNING  
COST RECOVERY PROVISION

Supplement To

Schedule R - Residential Service  
Schedule E - Electric Service For Employees  
Schedule G - General Service Non-Demand  
Schedule J - General Service Demand  
Schedule H - Commercial Cooking, Heating, Air  
Conditioning, and Refrigeration Service  
Schedule P - Large Power Service  
Schedule N - Contract Off-Peak and Interruptible Service  
Schedule F - Public Street Lighting  
Schedule U - Time of Use Service

All terms and provisions of Schedules "R", "E", "G", "J", "H", "P", "N", "F", and "U", are applicable except that the total base rate charges for each billing period shall be increased by the following Integrated Resource Planning Cost Recovery Adjustment, Residential Demand-Side Management (DSM) Adjustment, and Commercial and Industrial Demand-Side Management (DSM) Adjustment.

A: INTEGRATED RESOURCE PLANNING COST RECOVERY ADJUSTMENT:

All Rate Schedules ..... 0.380 percent

The total base rate charges for all rate schedules shall be increased by the above Integrated Resource Planning Cost Recovery Adjustment, which is based on the recovery of 2005 IRP Planning Costs, and the reconciliation of the 2004 IRP Costs, including interest and taxes, of \$26,464 as approved by the Public Utilities Commission.

The total base rate charges for the current billing period shall include all base rate schedule charges, discounts, surcharges, or base rate adjustments, excluding the Energy Cost Adjustment, Residential DSM Adjustment, and Commercial and Industrial DSM Adjustment.

B: Residential Demand-Side Management (DSM) Adjustment:

Schedule R ..... 0.7693 ¢/kwh

The total residential monthly bill shall include the above Residential DSM adjustment applied to all kwh per month. The above Residential DSM adjustment is based on recovering the total cost of \$3,539,989 for the 2006 residential program costs, lost revenue margins and revenue taxes, the 2005 shareholder incentives, and the reconciliation of the 2005 program cost recovery including reconciled lost revenue margins and revenue taxes, for which recovery has been approved by the Public Utilities Commission.

MAUI ELECTRIC COMPANY, LIMITED

Transmittal Letter Dated May 31, 2006.

Superseding Revised Sheet No. 129A  
Effective April 1, 2006

REVISED SHEET NO. 129A  
Effective June 1, 2006

MOLOKAI DIVISION

INTEGRATED RESOURCE PLANNING COST RECOVERY PROVISION - Continued

C: Commercial and Industrial Demand-Side Management (DSM) Adjustment:

Schedules G, J, H, P, N, U - per kwh ..... 0.1823 ¢/kwh

The total monthly bill for Schedules G, J, H, P, N, and U customers shall include the above Commercial and Industrial DSM adjustment applied to all kwh per month. The above adjustment is based on recovering \$41,080 for the 2006 C&I program costs, lost revenue margins and revenue taxes, the 2005 shareholder incentives, and the reconciliation of the 2005 program cost recovery including reconciled lost revenue margins and revenue taxes, for which recovery has been approved by the Public Utilities Commission.

RECONCILIATION ADJUSTMENT (To be added to Integrated Resource Planning Cost Recovery Adjustment, Residential DSM Adjustment, and Commercial and Industrial DSM Adjustment):

In order to reconcile any differences that may occur between the above costs to be recovered and the revenues received from the above adjustments, recorded revenues will be compared with the above costs. The Integrated Resource Planning Cost Recovery Adjustment, the Residential DSM Adjustment and the Commercial and Industrial DSM Adjustment will be reconciled annually. If there is a variance between the recorded revenues from the adjustments and the costs to be recovered, a reconciliation adjustment, lagged by two months, will be made to the above adjustments.

MAUI ELECTRIC COMPANY, LIMITED

Transmittal Letter Dated May 31, 2006.

Superseding Sheet No. 130  
Effective May 5, 1997

SHEET NO. 130  
Effective April 15, 1999

MOLOKAI DIVISION

SCHEDULE "Q"

Purchases From Qualifying Facilities - 100 KW or Less

Availability:

This schedule is available to customers with cogeneration and/or small power production facilities which qualify under the Commission's Rules, Chapter 74 of Title 6, Subchapter 2 with a design capacity of 100 kilowatts or less. Such qualifying facilities (QF's) shall be designed to operate properly in parallel with the Company's system without adversely affecting the operations of its customers and without presenting safety hazards to the Company's or other customer's personnel. The customer shall comply with the Company's requirements for customer generation interconnected with the utility system.

Energy delivered to the customer by the Company will be metered separately from the energy delivered by the customer to the Company.

Rate for Energy Delivered to the Company by Customer

The Company will pay for energy as follows:

All kwh per month - per kwh	5.61 cents
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Metering Charge:

There is a monthly charge to the customer for metering, billing and administration of the interconnection for purchase power as follows:

Single phase service - per month	\$ 5.00
Three phase service - per month	\$10.00

Energy Delivered to the Customer by the Company:

Energy delivered to the customer shall be billed on an applicable Company rate schedule.

System Compatibility:

The customer must deliver electric power at 60 hertz and the same phase and voltage as the customer receives service from the Company.

MAUI ELECTRIC COMPANY, LIMITED



Superseding Sheet No. 131  
Effective May 5, 1997

SHEET NO. 131  
Effective April 15, 1999

MOLOKAI DIVISION

SCHEDULE "Q" (continued)

Interconnection Facilities:

The customer shall furnish, install, operate and maintain facilities such as relays, switches, synchronizing equipment, monitoring equipment and control and protective devices designated by the Company as suitable for parallel operation with the Company system. Such facilities shall be accessible at all times to authorized Company personnel. All designs should be approved by the Company prior to installation.

If additional Company facilities are required or the existing facilities must be modified to accept the QF's deliveries, the QF shall make a contribution for the cost of such additional facilities.

Contract:

The Company shall require a contract specifying technical and operating aspects of parallel generation.

Fuel Clause:

The above rate for energy delivered to the Company by the Customer is based on a cost of fuel for Company generation of 467.54 cents per million Btu for fuel delivered in its service tanks. Effective the first day of January, April, July, and October an Adjustment shall be made to reflect the Company-generated fuel cost on file with the Commission and shall be effective for the following three months.

The Adjustment shall be the sum of the time-weighted on-peak adjustment (14 hours of 24 hours) and off-peak adjustment (10 hours of 24 hours). On-peak and off-peak adjustments shall be determined by the amount of the Company-generated fuel cost increase or decrease (in terms of cents per million Btu) from the base of 467.54 cents per million Btu multiplied by an on-peak heat rate of 11,006 Btu per net kilowatthour and an off-peak heat rate of 11,006 Btu per net kilowatthour.

This Fuel Clause is consistent with the terms of the Company's operations and may be revised to reflect any revisions or changes in operations, subject to approval by the Commission.

MAUI ELECTRIC COMPANY, LIMITED

Superseding Sheet No.132  
Effective October 23, 1996

REVISED SHEET NO. 132  
Effective January 1, 1999

MOLOKAI DIVISION  
GREEN PRICING PROGRAM PROVISION

AVAILABILITY:

Available to all residents/non-residents of the Island of Molokai who wish to make voluntary contributions for the development of renewable energy resources on Molokai.

GREEN PRICING PROGRAM:

The objective of the Green Pricing Program is to encourage the development of Hawaii's renewable energy resources. The participant's voluntary contributions under the Green Pricing Program Provision are used to develop renewable energy facilities.

The Company's Sun Power for Schools Pilot Program is a pilot project under which photovoltaic systems are installed on selected public schools on the Island of Molokai. The participating school will own the photovoltaic facility and use the energy produced by the system at no cost. Contributions received from the participants in this Green Pricing Program Provision are used to help fund this pilot program.

Other renewable energy projects may be developed in the future as part of the Company's Green Pricing Program, depending on the availability of contributions received from this Green Pricing Program Provision.

VOLUNTARY PARTICIPATION:

1. Participation in the Green Pricing Program through the Green Pricing Program Provision, is voluntary and may be terminated by the participant at any time.
2. Any resident/non-resident of the Island of Molokai may contribute to the Green Pricing Program through the Green Pricing Program Provision by completing a standard program sign-up form which indicates the participant's mailing address, electric service account number (if participant is currently a MECO customer), and the contribution payment option desired. The Green Pricing Program Provision contribution payment options are listed below.

MAUI ELECTRIC COMPANY, LIMITED

Transmittal Letter Dated October 8, 1998.

Superseding Sheet No. 132A  
Effective October 23, 1996

REVISED SHEET NO. 132A  
Effective January 1, 1999

MOLOKAI DIVISION

GREEN PRICING PROGRAM PROVISION (Continued)

3. A participant may terminate his/her voluntary contribution to the Green Pricing Program at any time by submitting a written or telephonic request to the Company to terminate participation in the Green Pricing Program Provision.

CONTRIBUTION PAYMENT OPTIONS:

A participant will specify the amount of his/her voluntary contribution (in whole dollars) and shall elect one of the following payment options:

Option 1: Monthly Contribution - the participant will be billed monthly based on the participant's specified dollar contribution amount.

Option 2: One Time Contribution - the participant will be billed one time for one lump sum contribution.

TERMS AND CONDITIONS:

1. Payments received by the Company shall be applied first to the participant's outstanding electric service bill balance, if any, and the remainder shall be applied to the participant's contribution to the Green Pricing Program under the Green Pricing Program Provision.
2. Electric Service will not be terminated if the participant fails to make contribution payments under the Green Pricing Program Provision.
3. The Company may terminate a participant's participation in the Green Pricing Program Provision, if the participant fails to make contribution payments for two (2) consecutive months.
4. The Company's late payment charge shall not apply to the participant's voluntary contributions under the Green Pricing Program Provision.

MAUI ELECTRIC COMPANY, LIMITED

Transmittal Letter Dated October 8, 1998.

SHEET NO. 133  
Effective April 15, 1999

MOLOKAI DIVISION

RIDER EV-R

RESIDENTIAL ELECTRIC VEHICLE CHARGING SERVICE

AVAILABILITY:

This Rider is applicable to electric charging service of on-road electric vehicles by residential customers. Electric vehicle charging service under this Rider shall be separately metered from residential power service served under Schedule R, and shall be supplied at a secondary voltage as specified by the Company.

RATES:

TIME-OF-USE METERING CHARGE - per month \$5.00

TIME-OF-USE ENERGY CHARGE:

On-Peak Energy Charge - per on-peak Kwhr 17.4383 cents  
Off-Peak Energy Charge - per off-peak Kwhr 8.3106 cents

MINIMUM CHARGE:

The Minimum Charge shall be the Time-of-Use Metering Charge.

DETERMINATION OF TIME-OF-USE ENERGY USAGE:

The Company shall install time-of-use metering equipment to measure the customer's electric vehicle charging kilowatthour usage by time-of-day rating periods defined below.

TIME-OF-USE RATING PERIODS:

The Time-of-Day rating periods under this Schedule shall be as follows:

On-Peak Period: 7:00 a.m. - 9:00 p.m., Daily  
Off-Peak Period: 9:00 p.m. - 7:00 a.m., Daily

MAUI ELECTRIC COMPANY, LIMITED

SHEET NO. 133A  
Effective April 15, 1999

MOLOKAI DIVISION

RIDER EV-R - (continued)

ENERGY COST ADJUSTMENT CLAUSE:

The energy cost adjustment provided in the Energy Cost Adjustment Clause shall be added to the Time-of-Use Metering Charge and Energy Charge.

INTEGRATED RESOURCE PLANNING SURCHARGE:

The Integrated Resource Planning Surcharge shall be added to the Time-of-Use Metering Charge, Time-of-Use Energy Charge, and Energy Cost Adjustment.

RULES AND REGULATIONS:

Service supplied under this Schedule shall be subject to the Rules and Regulations of the Company.

MAUI ELECTRIC COMPANY, LIMITED

SHEET NO. 134  
Effective April 15, 1999

MOLOKAI DIVISION

RIDER EV-C

COMMERCIAL ELECTRIC VEHICLE CHARGING SERVICE

AVAILABILITY:

This Rider is available for electric charging service of on-road electric vehicles by non-residential customers and to businesses that provide electric vehicle charging service to others. Electric vehicle charging service shall be separately metered from other power service served. Service will be delivered at secondary voltages as specified by the Company.

RATES:

TIME-OF-USE METERING CHARGE - per month \$10.00

TIME-OF-USE ENERGY CHARGE - (To be added to Time-of-Use  
Metering Charge)

Non-Demand Service:

On-Peak Energy Charge - per on-peak Kwhr 23.7929 cents  
Off-Peak Energy Charge - per off-peak Kwhr 10.7466 cents

When the customer's electric vehicle load exceeds 5000 kwh per month or in the opinion of the Company exceeds 25 kw of demand three times in a twelve-month period, a time-of-use demand meter will be installed and the following rates shall apply beginning with the next convenient billing period.

Demand Service:

TIME-OF-USE ENERGY CHARGE - (To be added to Time-of-Use  
Metering Charge)

On-Peak Energy Charge - per on-peak Kwhr 19.6204 cents  
Off-Peak Energy Charge - per off-peak Kwhr 10.7466 cents

ON-PEAK DEMAND CHARGE - (To be added to Time-of-Use Metering  
and Time-of-Use Energy Charges)

All On-Peak billing demand - per kw per month \$4.75

MAUI ELECTRIC COMPANY, LIMITED

SHEET NO. 134A  
Effective April 15, 1999

MOLOKAI DIVISION

RIDER EV-C - (continued)

MINIMUM CHARGE:

Non-Demand Service: Time-of-Use Metering Charge.

Demand Service: Sum of Time-of-Use Metering Charge and On-Peak Demand Charge.

DETERMINATION OF TIME-OF-USE ENERGY USAGE:

The Company shall install time-of-use metering equipment to measure the customer's electric vehicle charging kilowatt demand and kilowatthour usage by the time-of-day rating periods defined below. The on-peak billing kw per month shall be the maximum on-peak demand for such month but not less than 25 kw. The maximum on-peak demand for each month shall be the maximum average on-peak load in kw during any fifteen-minute period as indicated by a time-of-use meter.

TIME-OF-USE RATING PERIODS:

The Time-of-Day rating periods under this Schedule shall be as follows:

On-Peak Period:	7:00 a.m. - 9:00 p.m.,	Daily
Off-Peak Period:	9:00 p.m. - 7:00 a.m.,	Daily

ENERGY COST ADJUSTMENT CLAUSE:

The energy cost adjustment provided in the Energy Cost Adjustment Clause shall be added to the Time-of-Use Metering Charge and Energy Charge.

INTEGRATED RESOURCE PLANNING SURCHARGE:

The Integrated Resource Planning Surcharge shall be added to the Time-of-Use Metering Charge, Time-of-Use Energy Charge, and Energy Cost Adjustment.

RULES AND REGULATIONS:

Service supplied under this Schedule shall be subject to the Rules and Regulations of the Company.

MAUI ELECTRIC COMPANY, LIMITED

Superseding Revised Sheet No. 50  
Effective January 1, 2007

REVISED SHEET NO. 50  
Effective

MAUI DIVISION  
RATE SCHEDULES

The following listed sheets contain all rates in effect on and after the date indicated thereon subject to the Rules and Regulations of the Company applicable thereto:

<u>Sheet</u>	<u>Schedule</u>	<u>Date Effective</u>	<u>Character of Service</u>
(PAGE 50.1 IS NOT ASSIGNED)			
50.2	Firm Capacity Surcharge		All Schedules except Schedule "Q"
51	"R"		Residential Service
51A	"R"		Residential Service
52	"G"		General Service Non-Demand
52A	"G"		General Service Non-Demand
53	"J"		General Service Demand
53A	"J"		General Service Demand
54	"H"		Commercial Cooking, Heating, Air Conditioning & Refrigeration Service
55	"H"		Commercial Cooking, Heating, Air Conditioning & Refrigeration Service
56	"P"		Large Power Service
57	"P"		Large Power Service
58	"F"		Public Street Lighting
59	"F"		Public Street Lighting

(PAGE 60 IS NOT ASSIGNED)

MAUI ELECTRIC COMPANY, LIMITED

Docket No. 2006-0387, D&O No. \_\_\_\_\_.



Superseding Revised Sheet No. 50A  
Effective June 1, 2006

REVISED SHEET NO. 50A  
Effective

MAUI DIVISION  
RATE SCHEDULES

<u>Sheet</u>	<u>Schedule</u>	<u>Date Effective</u>	<u>Character of Service</u>
61	"E"		Electric Service for Employees
62	Rider "T"		Time-of-Day Service
62A	Rider "T"		Time-of-Day Service
62B	Rider "T"		Time-of-Day Service
63	Rider "I"		Interruptible Contract Service
64	Rider "M"		Off-Peak and Curtailable Service
64A	Rider "M"		Off-Peak and Curtailable Service
64B	Rider "M"		Off-Peak and Curtailable Service
64C	Rider "M"		Off-Peak and Curtailable Service
(PAGES 65- 67 NOT ASSIGNED)			
68	"U"		Time-of-Use Service
68A	"U"		Time-of-Use Service
68B	"U"		Time-of-Use Service
69	Energy Cost Adjustment Clause		All Schedules Except Schedule Q
69A	Energy Cost Adjustment Clause		All Schedules Except Schedule Q
69B	Energy Cost Adjustment Clause		All Schedules Except Schedule Q
70	IRP Cost Recovery Provision		All Schedules Except Schedule Q
71	IRP Cost Recovery Provision		All Schedules Except Schedule Q

MAUI ELECTRIC COMPANY, LIMITED

Docket No. 2006-0387, D&O No. \_\_\_\_\_.

Superseding Revised Sheet No. 50B  
Effective April 15, 1999

REVISED SHEET NO. 50B  
Effective

MAUI DIVISION

RATE SCHEDULES

<u>Sheet</u>	<u>Schedule</u>	<u>Date Effective</u>	<u>Character of Service</u>
(PAGES 72 - 80 NOT ASSIGNED)			
81	"Q"		Purchases From Qualifying Facilities - 100KW or Less
81A	"Q"		Purchases From Qualifying Facilities - 100KW or Less
82	Green Pricing Program Provision		Green Pricing
82A	Green Pricing Program Provision		Green Pricing
83	"TOU-R"		Residential Time-of-Use
83A	"TOU-R"		Residential Time-of-Use
83B	"TOU-R"		Residential Time-of-Use
84	"TOU-G"		Small Commercial Time-of-Use
84A	"TOU-G"		Small Commercial Time-of-Use
84B	"TOU-G"		Small Commercial Time-of-Use
85	"TOU-J"		Commercial Time-of-Use
85A	"TOU-J"		Commercial Time-of-Use
85B	"TOU-J"		Commercial Time-of-Use
86	"TOU-P"		Large Power Time-of-Use
86A	"TOU-P"		Large Power Time-of-Use
86B	"TOU-P"		Large Power Time-of-Use

MAUI ELECTRIC COMPANY, LIMITED

Docket No. 2006-0387, D&O No. \_\_\_\_\_.

Superseding Revised Sheet No. 50.2  
Effective January 1, 2007

Revised Sheet NO. 50.2  
Effective

MAUI DIVISION

FIRM CAPACITY SURCHARGE

Supplement To

Schedule "R"	- Residential Service
Schedule "E"	- Electric Service for Employees
Schedule "G"	- General Service Non-Demand
Schedule "J"	- General Service - Demand
Schedule "H"	- Commercial Cooking, Heating, Air Conditioning and Refrigeration Service
Schedule "P"	- Large Power Service
Schedule "F"	- Public Street Lighting
Schedule "U"	- Time-of-Use Service
Schedule "TOU-R"	- Residential Time-of-Use Service
Schedule "TOU-G"	- Small Commercial Time-of-Use Service
Schedule "TOU-J"	- Medium Commercial Time-of-Use Service
Schedule "TOU-P"	- Large Power Time-of-Use Service

All terms and provisions of Schedules "R", "E", "G", "J", "H", "P", "F", "U", "TOU-R", "TOU-G", "TOU-J" and "TOU-P" are applicable, except that the total base charges for each billing period shall be increased by the following Firm Capacity Surcharge approved by the Public Utilities Commission:.

FIRM CAPACITY SURCHARGE:

All Rate Schedules . . . . . 0.000 percent

The total base rate charges for the current billing period shall include all base rate schedule charges, discounts, surcharges and adjustments, excluding the Energy Cost Adjustment, Interim Rate Increase, Residential DSM Adjustment, Commercial and Industrial DSM Adjustment, and Integrated Resource Planning Cost Recovery Adjustment.

ADJUSTMENT TO SURCHARGE: (To be added to Firm Capacity Surcharge)

The above Firm Capacity Surcharge is based on refunding the firm capacity costs and related revenue taxes totaling \$\_\_\_\_\_ resulting from over estimated base revenues of \$\_\_\_\_\_ for the period from \_\_\_\_\_ to \_\_\_\_\_. In order to reconcile any differences that may occur between the above costs to be refunded and the amount actually refunded from the above surcharge, recorded refund will be compared with the above costs on quarterly basis. If there is a variance between the recorded refund from the surcharge and the costs to be refunded, a reconciliation adjustment, lagged by two months, will be made to the above surcharge.

MAUI ELECTRIC COMPANY, LIMITED

Docket No. 2006-0387, D&O No. \_\_\_\_\_.

Superseding Revised Sheet No. 51  
Effective July 4, 1999

REVISED SHEET NO. 51  
Effective

MAUI DIVISION  
SCHEDULE "R"  
Residential Service

Availability:

Applicable to residential lighting, heating, cooking, air conditioning and power in a single family dwelling unit metered and billed separately by the Company. This schedule does not apply where a residence and business are combined.

Service will be delivered at secondary voltages as specified by the Company.

Rate:

CUSTOMER CHARGE:

Single phase service - per month	\$7.50
Three phase service - per month	\$12.00

NON-FUEL ENERGY CHARGE (To be added to Customer Charge)

First 350 kWhr per month - per kWhr	10.3229 ¢
Next 850 kWhr per month - per kWhr	11.1375 ¢
All kWhr over 1,200 kWhr per month- per kWhr	11.6756 ¢

BASE FUEL/ENERGY CHARGE (To be added to Customer Charge  
and Non-Fuel Energy Charge)

All kWhr per month - per kWhr	17.9992 ¢
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Minimum Charge:

The minimum monthly charge shall be \$17.00

Apartment House Collection Arrangement:

Any apartment owner having three or more apartments at one location, each apartment being separately metered and billed on the above rate, may elect to accept a discount of ten (10%) of the amount of the bills rendered for each apartment, but not to exceed \$6.50 per month for each apartment, upon entering into the following collection agreement with the Company under the following terms and conditions:

- 1) All accounts shall be kept in the name of the apartment house owner who shall assume the responsibility for the prompt payment of all bills.

MAUI ELECTRIC COMPANY, LIMITED

Superseding Revised Sheet No. 51A  
Effective August 18, 1994

REVISED SHEET NO. 51A  
Effective

Schedule "R" (continued)

- 2) All accounts shall remain active at all times and, though vacant, shall be subject to the minimum charge. Individual apartments cannot be added or deleted from this agreement more often than once in twelve months.
- 3) The Company will render individual bills for each apartment on a regular billing period basis and will also furnish a statement showing gross and net billings.

Energy Cost Adjustment Clause:

The energy cost adjustment provided in the Energy Cost Adjustment Clause shall be added to the Customer, Demand, and Energy Charges.

Integrated Resource Planning Cost Recovery Clause:

The Integrated Resource Planning Adjustment provided in the Integrated Resource Cost Recovery Clause shall be added to the Customer, Demand, and Energy Charges, and energy cost adjustment.

Rules and Regulations:

Service supplied under this rate shall be subject to the Rules and Regulations of the Company.

Superseding Revised Sheet No. 52  
Effective April 15, 1999

REVISED SHEET NO. 52  
Effective

MAUI DIVISION  
SCHEDULE "G"  
General Service Non-Demand

Availability:

Applicable to general light and/or power loads less than or equal to 5000 kwh per month, and less than or equal to 25 kilowatts, and supplied through a single meter.

If a customer's usage exceeds 5000 kwh per month or in the opinion of the Company exceed 25 kw of demand three times in a twelve-month period, a demand meter will be installed and the customer's billing will be transferred to Schedule "J" beginning with the next convenient billing period.

Service will be delivered at secondary voltages as specified by the Company, except where the nature or location of the customer's load makes delivery at secondary voltage impractical, the Company may, at its option, deliver the service at a nominal primary voltage as specified by the Company. Service supplied at primary voltage shall be subject to the special terms and conditions set forth below.

Rate:

CUSTOMER CHARGE:

Single phase service - per month	\$25.00
Three phase service - per month	\$40.00

ENERGY CHARGE: (To be added to Customer Charge)

All kwhr per month - per kwhr	29.8037 cents
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Minimum Charge:

Single phase service - per month	\$30.00
Three phase service - per month	\$45.00

Primary Supply Voltage Service:

Where, at the option of the Company, service is delivered and metered at the primary supply line voltage, the above energy charges will be decreased by 1.1%. When customers' transformers are adjacent to the delivery point, the Company may permit the customer to be metered at a single point on the secondary side of his transformers where such point is approved by the Company. When the energy is metered on the secondary side of the customers' transformers, the above energy charge will be decreased by 0.5%

MAUI ELECTRIC COMPANY, LIMITED

Superseding Sheet No. 52A  
Effective August 18, 1994

REVISED SHEET NO. 52A  
Effective

Schedule "G" (Continued)

Energy Cost Adjustment Clause:

The energy cost adjustment provided in the Energy Cost Adjustment Clause shall be added to the Customer, Demand, and Energy Charges.

Integrated Resource Planning Cost Recovery Clause:

The Integrated Resource Planning Adjustment provided in the Integrated Resource Cost Recovery Clause shall be added to the Customer, Demand, and Energy Charges, and energy cost adjustment.

Rules and Regulations:

Service supplied under this rate shall be subject to the Rules and Regulations of the Company.

Superseding Revised Sheet No. 53  
Effective April 15, 1999

REVISED SHEET NO. 53  
Effective

MAUI DIVISION  
SCHEDULE "J"

General Service Demand

Availability:

Applicable to general light and/or power loads which exceed 5000 kilowatthours per month three times within a twelve-month period, or 25 kilowatts, and supplied through a single meter.

This Schedule is closed to new customers with the kW demand equal to or greater than 200 kW after \_\_\_\_\_, 2007. Existing customers with maximum measured kW demand equal to, or greater than 200 kW per month may continue to receive service under this Schedule, until the customer transfers to other applicable rate schedule.

Rate:

CUSTOMER CHARGE:

Single phase service - per month	\$50.00
Three phase service - per month	\$65.00

DEMAND CHARGE: (To be added to Customer Charge)

All kw of billing demand	\$12.00 per month per kw
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ENERGY CHARGE: (To be added to Customer and Demand Charges)

First 200 kwhr/month/kW of billing demand-per kwhr	25.5003 cents
Next 200 kwhr/month/kW of billing demand-per kwhr	24.4862 cents
Over 400 kwhr/month/kW of billing demand-per kwhr	21.5241 cents

Minimum Charge:

The minimum monthly charge shall be the sum of the Customer and the Demand Charges. The Demand Charge shall be computed with the above demand charge applied to kilowatts of demand, but not less than \$300.00 per month. The kilowatts of demand for the minimum charge calculation each month shall be the highest of the maximum demand for the month, the greatest maximum demand of the preceding eleven months or 25 kw.

Determination of Demand:

The maximum demand for each month shall be the maximum average load in kilowatts during any fifteen-minute period as indicated by a demand meter. The billing demand for each month shall be the maximum demand for such month or the mean of current monthly maximum demand and the greatest maximum demand for the preceding eleven months, whichever is higher, but not less than the minimum billing demand of 25 kilowatts.

MAUI ELECTRIC COMPANY, LIMITED

Docket No. 2006-0387, D&O No. \_\_\_\_\_.



Superseding Revised Sheet No. 53A  
Effective May 5, 1997

REVISED SHEET NO. 53A  
Effective

MAUI DIVISION

Schedule "J" (continued)

Power Factor:

For customers with maximum measured demands in excess of 200 kilowatts per month for any one time within a 12-month period, the following power factor adjustment will apply to the energy and demand charges.

For each 1% the average power factor is above or below 85%, the energy and demand charges as computed under the above rates shall be decreased or increased, respectively, by 0.10%. The power factor will be computed to the nearest whole percent.

In no case, however, shall the power factor be taken as more than 100% for the purpose of computing the adjustment.

The average monthly power factor will be determined from the readings of a Kwh meter and a Kvarh meter. The Kvarh meter shall be ratcheted to prevent reversal in the event the power factor is leading any time.

Primary Supply Voltage Service:

Where, at the option of the Company, service is delivered and metered at the primary supply line voltage, the above energy and demand charges will be decreased by 1.1%. When customers' transformers are adjacent to the delivery point, the Company may permit the customer to be metered at a single point on the secondary side of his transformers where such point is approved by the Company. When the energy is metered on the secondary side of the customer's transformers, the above energy and demand charges will be decreased by 0.5%

Energy Adjustment Clause:

The energy cost adjustment provided in the Energy Cost Adjustment Clause shall be added to the Customer, Demand, and Energy Charges.

Integrated Resource Planning Cost Recovery Clause:

The Integrated Resource Planning Adjustment provided in the Integrated Resource Cost Recovery Clause shall be added to the Customer, Demand, and Energy Charges, and energy cost adjustment.

Rules and Regulations:

Service supplied under this rate shall be subject to the Rules and Regulations of the Company.

MAUI ELECTRIC COMPANY, LIMITED

Superseding Revised Sheet No. 54  
Effective April 15, 1999

REVISED SHEET NO. 54  
Effective

MAUI DIVISION  
SCHEDULE "H"

Commercial Cooking, Heating  
Air Conditioning and Refrigeration Service

Availability:

Applicable to commercial cooking, heating (including heat pump waterheaters), air conditioning and refrigeration service. This schedule applies only where the voltage supplied by the Company is less than 600 volts. This rate is closed to new customers after \_\_\_\_\_, 2007.

Rate:

CUSTOMER CHARGE:

Single phase service - per month	\$40.00
Three phase service - per month	\$55.00

DEMAND CHARGE: (To be added to Customer Charge)

\$7.00 per month per kw of required kw load, but in no case less than \$7.00 per month.

ENERGY CHARGE: (To be added to Customer and Demand Charges)

All kwhr per month - per kwhr	26.3728 cents
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Minimum Charge:

The minimum monthly charge shall be the sum of Customer and Demand Charges.

Determination of Required kw load:

The required kw load for billing purposes shall be:

A. The sum of:

- 1) The total connected motor load,
- 2) 50% of the connected heating load, exclusive of cooking and all-electric resistance and heat pump waterheating; and
- 3) the connected all-electric waterheating load in excess of one-sixth kilowatt per gallon of storage capacity; or

MAUI ELECTRIC COMPANY, LIMITED

Docket No. 2006-0387, D&O No. \_\_\_\_\_.

Superseding Revised Sheet No. 55  
Effective August 18, 1994

REVISED SHEET NO. 55  
Effective

SCHEDULE "H" (continued)

- B. When the load is 25 KW or more the capacity may be determined by measured demand. The maximum demand for each month shall be the maximum average load during any fifteen-minute period as indicated by a demand meter. The demand for each month shall be the maximum demand for such month, the highest demand in the preceding eleven months, or 25 KW, whichever is highest. Measured demand service under this schedule will be referred to as Schedule "K" service.

The required kw load will be determined to the nearest one-tenth kw.

Energy Adjustment Clause:

The energy cost adjustment provided in the Energy Cost Adjustment Clause shall be added to the Customer, Demand and Energy Charges.

Integrated Resource Planning Cost Recovery Clause:

The Integrated Resource Planning Adjustment provided in the Integrated Resource Cost Recovery Clause shall be added to the Customer, Demand, and Energy Charges, and energy cost adjustment.

Term of Contract:

Not less than one year.

Rules and Regulations:

Service supplied under this rate shall be subject to the Rules and Regulations of the Company.

MAUI ELECTRIC COMPANY, LIMITED

Docket No. 2006-0387, D&O No. \_\_\_\_\_.

Superseding Revised Sheet No. 56  
Effective April 15, 1999

REVISED SHEET NO. 56  
Effective

MAUI DIVISION  
SCHEDULE "P"

Large Power Service

Availability:

Applicable to large light and/or power service loads supplied and metered at a single voltage and delivery point.

This Schedule is closed to new customers with the kW demand less than 200 kW after \_\_\_\_\_, 2007. Existing customers with maximum measured kW demand less than 200 kW per month may continue to receive service under this Schedule, until the customer transfers to other applicable rate schedule.

Rate:

CUSTOMER CHARGE - per month \$375.00

DEMAND CHARGE - (To be added to Customer Charge)

First 500 kw of billing demand	\$18.00 per month per kw
Over 500 kw of billing demand	\$17.00 per month per kw

ENERGY CHARGE: (To be added to Customer and Demand Charges)

First 200 kwhr/month/kW of billing demand - per kwhr	24.4694¢
Next 200 kwhr/month/kW of billing demand - per kwhr	22.9273¢
All Over 400 kwhr/month/kW of billing demand - per kwhr	21.2153¢

Minimum Charge:

The minimum monthly charge shall be the sum of the Customer and the Demand Charges. The demand charge shall be computed with the above demand charges applied to kilowatts of demand. The kilowatts of demand for the minimum charge calculation each month shall be the highest of the maximum demand for the month, the greatest maximum demand of the preceding eleven months, or the minimum billing demand specified below.

Determination of Demand:

The maximum demand for each month shall be the maximum average load in kw during any fifteen-minute period as indicated by a demand meter. The billing demand for each month shall be the maximum demand for such month or the mean of current monthly maximum demand and the greatest maximum demand for the preceding eleven months, whichever is the higher, but not less than the minimum billing demand of 200 kw.

Power Factor:

The above demand and energy charges are based upon an average monthly power factor of 85%. For each 1% the average power factor is above or below 85%, the monthly bill as computed under the demand and energy charges shall be decreased or increased, respectively, by 0.10%. The power factor will be computer to the nearest whole percent.

MAUI ELECTRIC COMPANY, LIMITED

Docket No. 2006-0387, D&O No. \_\_\_\_\_.

Superseding Revised Sheet No. 57  
Effective August 18, 1994

REVISED SHEET NO. 57  
Effective

SCHEDULE "P" (continued)

In no case, however, shall the power factor be taken as more than 100% for the purpose of computing the adjustment.

The average monthly power factor will be determined from the readings of a Kwh meter and Kvarh meter. The Kvarh meter shall be ratcheted to prevent reversal in the event the power factor is leading at any time.

Special Terms and Conditions:

Supply Voltage Delivery:

If the customer takes delivery at the Company's supply line voltage, the demand and energy charges will be decreased as follows:

Transmission voltage supplied without further transformation	4.4%
Distribution voltage supplied without further transformation	1.1%

Metering will normally be at the delivery voltage. When customer's transformers are adjacent to the delivery point, the customer may elect to be metered at a single point on the secondary side of his transformers where such point is approved by the Company. When the energy is metered on the secondary side of the customer's transformers, the above decreases will be 3.8% and 0.5%, respectively.

Energy Cost Adjustment Clause:

The energy cost adjustment provided in the Energy Cost Adjustment Clause shall be added to the Customer, Demand, and Energy Charges.

Integrated Resource Planning Cost Recovery Clause:

The Integrated Resource Planning Adjustment provided in the Integrated Resource Cost Recovery Clause shall be added to the Customer, Demand and Energy Charges, and energy cost adjustment.

Term of Contract:

Not less than one year.

Rules and Regulations:

Service supplied under this rate shall be subject to the Rules and Regulations of the Company.

MAUI ELECTRIC COMPANY, LIMITED

Superseding Revised Sheet No. 58  
Effective April 15, 1999

REVISED SHEET NO. 58  
Effective

MAUI DIVISION

SCHEDULE "F"

Public Street Lighting

Availability:

Applicable to public street and highway lighting service supplied on the Island of Maui where the Company owns, maintains and operates the street lighting facilities.

Rate:

ENERGY CHARGE:

First	150 kwhr/month/kw of billing demand - per kwhr	30.5954¢
All Over	150 kwhr/month/kw of billing demand - per kwhr	26.0974¢

FIXTURE CHARGE (To be added to the Energy Charge):

150	or 300 Watt Incandescent	\$ 6.00	per unit per month
250	Watt Mercury	\$11.00	per unit per month
400	Watt Mercury	\$11.00	per unit per month
100	Watt High Pressure Sodium	\$11.00	per unit per month
150	Watt High Pressure Sodium	\$11.00	per unit per month
250	Watt High Pressure Sodium	\$11.00	per unit per month

Minimum Charge:

Fixture charge + \$25.00 per month.

Terms and Conditions:

1. Determination of Energy:

Standard service on and after May 15, 1976 will be unmetered dusk-to-dawn service. For the unmetered installations, the demand shall be the connected load of the lamp and appurtenances in kilowatts to the nearest 1/10. The kilowatthours shall be the connected load times 340. The demand of metered installations may be by demand or by test.

2. Standard Equipment Furnished:

Bracket or mast arm construction will be furnished and attached to existing wooden poles and secondary voltage.

MAUI ELECTRIC COMPANY, LIMITED

Docket No. 2006-0387, D&O No. \_\_\_\_\_.

Superseding Revised Sheet No. 59  
Effective August 18, 1994

REVISED SHEET NO. 59  
Effective

SCHEDULE "F" (Continued)

3. Other Than Standard Equipment:

Where the customer requests the installation of other than the standard equipment be furnished by the Company, including underground facilities and such requested equipment is acceptable to the Company, the Company will install the requested equipment provided the customer agrees to make a contribution of the estimated difference in cost installed between such equipment and standard equipment.

Contribution made for this purpose will not be refunded. Where the customer requests fixtures to be installed on electroliers or other ornamental standards that are acceptable to the Company, in lieu of making the contribution, the customer may elect to pay added facilities charge of 1-3/4% per month of the added investment required for such facilities. Facilities installed in connection with such agreements become and remain the sole property of the utility.

4. Replacement Cost:

Where the customer requests an existing street lighting fixture or electrolier be replaced with another type, the customer shall make a contribution of the estimated cost of the new equipment installed plus the cost of the removal of the existing equipment.

Energy Cost Adjustment Clause:

The energy cost adjustment provided in the Energy Cost Adjustment Clause shall be added to the Customer, Demand, and Energy Charges.

Integrated Resource Planning Cost Recovery Clause:

The Integrated Resource Planning Adjustment provided in the Integrated Resource Cost Recovery Clause shall be added to the Customer, Demand, and Energy Charges, and energy cost adjustment.

Rules and Regulations:

Service supplied under this rate shall be subject to the Rules and Regulations of the Company.

MAUI ELECTRIC COMPANY, LIMITED

Docket No. 2006-0387, D&O No. \_\_\_\_\_.

Superseding Revised Sheet No. 61  
Effective June 1, 1996

REVISED SHEET NO. 61  
Effective

MAUI DIVISION

SCHEDULE "E"

Electric Service for Employees

Availability:

Applicable to all regular full-time Company employees, Company retirees, members of the Company Board of Directors, and retirees of Hawaiian Electric Company, Inc. and Hawaii Electric Light Company, Inc. who retired on or after January 1, 1996 and who are served by Maui Electric Company, Ltd. This schedule is applicable to the above customers' residential electric service in a single family dwelling unit metered and billed separately by the Company, subject to the Special Terms and Conditions specified below. This schedule does not apply where a residence and business are combined.

Rate:

The rates applicable to service under this schedule shall be two-thirds (2/3) of the current effective Schedule R rates - Residential Service, for usage up to 825 kwh per month. Energy usage above 825 kwh shall be billed the full Schedule R energy rates.

Special Terms and Conditions:

1. "Regular full-time Company employee" is defined as an employee who has successfully completed any required probationary requirements, is hired for an indefinite period, and who works no less than 40 hours per week.
2. This schedule is applicable only to primary residences.
3. Availability of this schedule terminates six months after death of eligible employee, retiree, or member of the Board of Directors.

Rules and Regulations:

Service supplied under this schedule shall be subject to the Rules and Regulations of the Company.

MAUI ELECTRIC COMPANY, LIMITED

Docket No. 2006-0387, D&O No. \_\_\_\_\_.



Superseding Revised Sheet No. 62  
Effective May 5, 1997

REVISED SHEET NO. 62  
Effective

MAUI DIVISION

RIDER T  
TIME-OF-DAY RIDER

AVAILABILITY:

This rider is available to customers on rate Schedule "J", "K", or "P" but cannot be used in conjunction with the load management Rider M, Schedules "U", "TOU-J" or "TOU-P".

TIME-OF-DAY RATING PERIODS:

The time-of-day rating periods under this Rider shall be as follows:

On-Peak Period: 7:00 a.m. - 9:00 p.m., Daily  
Off-Peak Period: 9:00 p.m. - 7:00 a.m., Daily

RATE:

The rate(s) for service under this Rider including the Customer Charge, Energy Charge, and Demand Charge shall be as specified in the regular rate schedule, except that the following charges shall be added:

TIME-OF-DAY METERING CHARGE - per month \$10.00

TIME-OF-DAY ENERGY CHARGE ADJUSTMENTS:

On-Peak Energy Surcharge - all on-peak kwh + 2.0 cents/kwh  
Off-Peak Energy Credit - all off-peak kwh - 3.0 cents/kwh

MINIMUM CHARGE:

The Minimum Charge shall be as specified under the regular rate schedule except that it shall include the Time-of-Day Metering Charge. In addition, the average energy charge computed from the regular energy charge and the above Time-of-Day energy charge adjustments including the energy cost adjustment, cannot be lower than the off-peak avoided energy cost at the metering point.

DETERMINATION OF DEMAND:

The Determination of Demand shall be as specified in the regular rate schedule, except that only the on-peak Kw demand shall be used in the determination of the kilowatts of billing demand for the Demand Charge, the regular Energy Charge and the Minimum Charge calculations.

MAUI ELECTRIC COMPANY, LIMITED

Docket No. 2006-0387, D&O No. \_\_\_\_\_.

Superseding Revised Sheet No. 62A  
Effective August 18, 1994

REVISED SHEET NO. 62A  
Effective

MAUI DIVISION

Rider T (Continued)

VOLTAGE SERVICE AND POWER FACTOR ADJUSTMENTS:

The voltage service and power factor adjustments shall be as specified in the regular rate schedule.

MEASUREMENT OF TIME-OF-DAY ENERGY AND DEMAND:

The Company shall install a time-of-use meter to measure the customer's energy consumption and peak kW demand during the time-of-day rating periods.

TERMS OF AGREEMENT:

The customer applying for service under this Rider shall sign a standard Rider T agreement form with the Company. Service under this Rider shall not be less than five years. The customer may terminate service under this Rider during the first six months without penalty. If the customer terminates service after the first six months but before the end of the first five-year period which begins from the start date of the customer's service under this Rider, the customer shall be charged a termination fee equal to the amount of the last six months of discount received under this Rider.

A customer may perform emergency maintenance on his equipment or load served under this rider during the on-peak period and the customer's maximum demand during that time will not be considered in the determination of the billing kW demand under the following conditions:

- a. The conditions under which the customer may perform emergency maintenance on his equipment or load during on-peak period will be defined in the customer's contract.
- b. The customer may perform such emergency maintenance during on-peak period only when approved by MECO, and will operate only for the duration approved by MECO. Such MECO approval shall be by phone, or by e-mail, or in writing to the customer.

MAUI ELECTRIC COMPANY, LIMITED

Docket No. 2006-0387, D&O No. \_\_\_\_\_.

REVISED SHEET NO. 62B  
Effective

MAUI DIVISION

Rider T (Continued)

- c. The customer must notify MECO as far in advance as possible, but not less than 1 hour before performing such emergency maintenance on his equipment or load during the on-peak period. Such notice shall be by phone, e-mail, or in writing. MECO may approve the customer's request on the basis of available capacity. Service to the customer under this condition may be interrupted at any time when MECO's system conditions dictate the necessity to interrupt service, or when in MECO's sole judgment the system may be impaired or the startup of another unit would be uneconomic.
- d. The customer's request to operate its load during the on-peak period under this condition cannot exceed four (4) times within a 12-month period.

MAUI ELECTRIC COMPANY, LIMITED

Docket No. 2006-0387, D&O No. \_\_\_\_\_.

Superseding Revised Sheet No. 63  
Effective August 18, 1994

REVISED SHEET NO. 63  
Effective

MAUI DIVISION

RIDER "I"

Interruptible Contract Service

Availability:

This Rider is applicable to service supplied and metered at a single voltage and delivery point where 500 kw or greater is subject to disconnection by the utility under the terms and conditions as set forth in the contract agreement.

Rates:

Reduction in demand charge as set forth in a contract between the customer and the utility and approved by the Public Utilities Commission.

Term of Contract

Not less than five years.

MAUI ELECTRIC COMPANY, LIMITED

Docket No. 2006-0387, D&O No. \_\_\_\_\_.

Superseding Revised Sheet No. 64  
Effective April 15, 1999

REVISED SHEET NO. 64  
Effective

MAUI DIVISION

RIDER "M"

Off-Peak and Curtailable Service

Availability:

This Rider is available to service supplied in rate Schedule "J" or "P" whose maximum measured demands prior to any load modifications effected under this rider, exceed 100 and 300 kilowatts, respectively. This rider cannot be used in conjunction with Rider T, Rider I, Schedules "U", "TOU-J" or "TOU-P".

Rates:

A. Basic Rates:

The rates for service under this Rider shall be as specified under the regular Schedule "J" or "P", whichever is applicable except that the Minimum Charge and the determination of billing demand used in the calculation of demand and energy charges shall be as defined below, subject to the requirements of the Determination of Demand provision of the applicable rate schedule.

The customer shall select Option A - Off-Peak Service or Option B - Curtailable Service:

OPTION A - OFF-PEAK SERVICE:

- 1) Any demand occurring during the off-peak period shall not be considered in determining the billing kW demand for each month, but shall be used in determining the excess off-peak charge. Only the maximum kW demand occurring during the on-peak period shall be used in the determination of the billing kW demand for the calculation of the demand charge, energy charge and minimum charge as specified in the regular Schedule J or P.
- 2) An Excess Off-Peak Charge of \$1.00 per kilowatt shall be added to the regular rate schedule charges for each kilowatt that the maximum off-peak demand exceeds the maximum demand during the on-peak period.
- 3) For calculation of the excess off-peak charge for each month, the maximum off-peak demand and maximum demand during the on-peak period shall be the highest measured demands during the respective periods for such month.

MAUI ELECTRIC COMPANY, LIMITED

Superseding Revised Sheet No. 64A  
Effective April 15, 1999

REVISED SHEET NO. 64A  
Effective

MAUI DIVISION

Rider "M" (continued)

- 4) The time-of-use rating periods shall be defined as follows:

On-Peak Period	7 a.m. - 9 p.m.	Fourteen hours Daily
Off-Peak Period	9 p.m. - 7 a.m.	Ten continuous hours Daily

- 5) The monthly minimum charge shall be the sum of the customer charge and demand charge in the applicable rate schedule, and the Excess Off-Peak Charge and Time-of-Day Metering Charge specified below.

OPTION B - CURTAILABLE SERVICE:

- 1) A customer who chooses curtailable service shall curtail its kW load during the Company's curtailment hours, and shall specify the curtailable kW load. This curtailable load must be load that is normally operated during the Company's curtailment hours and must be at least 50 kW and 150 kW of load under Schedules "J" and "P" respectively. The Company may install a meter to measure the customer's curtailable load prior to the start of curtailable service under this Rider.
- 2) For billing purposes, the curtailed kW shall be determined monthly as the difference between the maximum kW demand outside of the curtailment hours and the maximum kW demand during the curtailment hours measured for each month, but not to exceed the curtailable kW load specified in the customer's Rider M contract.
- 3) The customer shall choose one of the curtailment periods specified below. The billing demand under this curtailable service option shall be the normal billing demand under Schedule "J" or "P" reduced by:

Option 1) 75% of the curtailed demand if the curtailment hours are the Company's priority peak period defined from 5:00 p.m. to 9:00 p.m., Monday through Friday; or

Option 2) 40% of the curtailed kilowatt demand if the curtailment hours are two (2) consecutive hours as specified by the Company.

MAUI ELECTRIC COMPANY, LIMITED

Superseding Revised Sheet No. 64B  
Effective April 15, 1999

REVISED SHEET NO. 64B  
Effective

MAUI DIVISION

Rider "M" (Continued)

- 4) The monthly minimum charge shall be the sum of the customer charge and demand charge in the applicable rate schedule, and the Time-of-Day Metering Charge specified below.

Where the Company specifies the curtailment hours, the Company shall give the customer at least 30 days notice prior to changing the curtailment hours.

B. TIME-OF-DAY METERING CHARGE:

The Company shall install a time-of-use meter to measure the customer's maximum kW load during the time-of-day rating periods and curtailment hours.

An additional time-of-day metering charge of \$10 per month shall be assessed to cover the additional cost of installing, operating, and maintaining a time-of-use meter.

C. TERMS OF CONTRACT:

1. The initial term of contract shall be at least 3 years. Thereafter, the contract will be automatically renewed in 3-year increments until terminated by either party by a 30-day written notice.
2. A customer applying for service under this Rider shall sign a standard Rider M contract form with the Company.
3. The customer shall be allowed to take service under this Rider for a six-month trial period without penalty for termination within this period.
4. If the contract is terminated after the six months trial period, but prior to the end of the initial contract term, the customer shall be assessed a termination charge equal to the last six months discount received under this Rider.

MAUI ELECTRIC COMPANY, LIMITED

Docket No. 2006-0387, D&O No. \_\_\_\_\_.

Superseding Sheet No. 64C  
Effective April 15, 1999

REVISED SHEET NO. 64C  
Effective

MAUI DIVISION

Rider "M" (continued)

5. The customer may request a change of Rider options (Option A - Off-Peak Service or Option B - Curtailable Service) or curtailment hours by providing a 30-day written notice to the Company. The change will become effective after the next regular meter reading following the receipt of such written notice by the Company, provided however, the Company may not be required to make such change until 12 months of service has been rendered after the last change, unless a new or revised Rider has been authorized, or unless a customer's operating conditions have altered so as to warrant such change.
6. If under the curtailable service option the customer fails to curtail his demand during the curtailment hours three times within a twelve-month period, the Company may terminate the Rider M contract by a 30-day written notice to the customer. If the Rider M contract is terminated due to the customer's failure to curtail load, the customer may be assessed a termination charge equal to the last six-months discount received under this Rider.
7. Service supplied under this Rider shall be subject to the Rules and Regulations of the Company.

MAUI ELECTRIC COMPANY, LIMITED

Docket No. 2006-0387, D&O No. \_\_\_\_\_.



Superseding Revised Sheet No. 68  
Effective April 15, 1999

REVISED SHEET NO. 68  
Effective

MAUI DIVISION

SCHEDULE U

TIME-OF-USE SERVICE

AVAILABILITY:

Applicable to general light and/or power loads which exceed 25 kilowatts per month and supplied and metered at a single voltage and delivery point. This Schedule cannot be used in conjunction with load management Riders "M", "T", "I", Schedule "TOU-J" and Schedule "TOU-P". This rate is closed to new customers after \_\_\_\_\_, 2007.

TIME-OF-DAY RATING PERIODS:

The time-of-day rating periods shall be as follows:

On-Peak Period: 7:00 a.m. - 9:00 p.m., daily  
Off-Peak Period: 9:00 p.m. - 7:00 a.m., daily

RATE:

CUSTOMER CHARGE - per month \$100.00

DEMAND CHARGE - (To be added to Customer Charge)

All On-Peak Kw of billing demand - per month \$25.00 per kw

ENERGY CHARGE - (To be added to Customer and Demand Charges)

All On-Peak Kwhr per month - per Kwhr 25.5003 cents  
All Off-Peak Kwhr per month - per Kwhr 21.2153 cents

Minimum Charge:

The monthly minimum charge shall be the sum of the Customer and the Demand Charges. The Demand Charge shall be computed with the above demand charge applied to kilowatts of demand. The kilowatts of billing demand for the minimum charge calculation for each month shall be the highest of the maximum on-peak demand for such month, but not less than 25 kW.

MAUI ELECTRIC COMPANY, LIMITED

Docket No. 2006-0387, D&O No. \_\_\_\_\_.

Superseding Revised Sheet No. 68A  
Effective May 5, 1997

REVISED SHEET NO. 68A  
Effective

MAUI DIVISION

Schedule "U" (Continued)

DETERMINATION OF TIME-OF-USE ENERGY AND DEMAND:

The Company shall install a time-of-use meter to measure the customer's energy consumption and peak load during the time-of-day rating periods. The maximum demand for the rating periods for each month shall be the maximum average load in kilowatts during any fifteen-minute period as indicated by a time-of-use meter. The on-peak kilowatts of billing demand for each month shall be the maximum on-peak demand for such month, but not less than 25 kilowatts.

Power Factor:

For customers with demands in excess of 200 kilowatts, the following power factor adjustment will apply to the energy and demand charges.

The above energy and demand charges are based upon an average monthly power factor of 85%. For each 1% the average power factor is above or below 85%, the monthly energy and demand charges as computed under the above rates shall be decreased or increased, respectively, by 0.10%.

The average monthly power factor will be determined from the readings of a Kwh meter and kVarh meter, and will be computed to the nearest whole percent and not exceeding 100% for the purpose of computing the adjustment. The kVarh meter shall be ratcheted to prevent reversal in the event the power factor is leading at any time.

Special Terms and Conditions:

Supply Voltage Delivery:

If the customer takes delivery at the Company's supply line voltage, the demand and energy charges will be decreased as follows:

Transmission voltage supplied without further transformation	4.4%
Distribution voltage supplied without further transformation	1.1%

Metering will normally be at the delivery voltage. When the customer's transformers are adjacent to the delivery point, the customer may elect to be metered at a single point on the secondary side of his transformers where such point is approved by the Company. When the energy is metered on the secondary side of the customer's transformers, the above decreases will be 3.8% and 0.5%, respectively.

MAUI ELECTRIC COMPANY, LIMITED

Docket No. 2006-0387, D&O No. \_\_\_\_\_.

Superseding Sheet No. 68B  
Effective August 18, 1994

REVISED SHEET NO. 68B  
Effective

MAUI DIVISION

Schedule "U" (Continued)

Energy Cost Adjustment Clause:

The energy cost adjustment provided in the Energy Cost Adjustment Clause shall be added to the Customer, Demand, and Energy Charges.

Integrated Resource Planning Cost Recovery Clause:

The Integrated Resource Planning Adjustment provided in the Integrated Cost Recovery Clause shall be added to the Customer, Demand, and Energy Charges, and energy cost adjustment.

Term of Contract:

Not less than one year.

Rules and Regulations:

Service supplied under this rate shall be subject to the Rules and Regulations of the Company.

MAUI ELECTRIC COMPANY, LIMITED

Docket No. 2006-0387, D&O No. \_\_\_\_\_.

Superseding Revised Sheet No. 69  
Effective April 15, 1999

REVISED SHEET NO. 69  
Effective

ENERGY COST ADJUSTMENT CLAUSE

Applicable To

Schedule "R"	- Residential Service
Schedule "E"	- Electric Service for Employees
Schedule "G"	- General Service - Non Demand
Schedule "J"	- General Service - Demand
Schedule "H"	- Commercial Cooking, Heating, Air Conditioning and Refrigeration Service
Schedule "P"	- Large Power Service
Schedule "F"	- Public Street Lighting
Schedule "U"	- Time-of-Use Service
Schedule "TOU-R"	- Residential Time-of-Use Service
Schedule "TOU-G"	- Small Commercial Time-of-Use Service
Schedule "TOU-J"	- Medium Commercial Time-of-Use Service
Schedule "TOU-P"	- Large Power Time-of-Use Service

All terms and provisions of Schedules "R", "E", "G", "J", "H", "P", "F", "U", "TOU-R", "TOU-G", "TOU-J" and "TOU-P" are applicable, except that the Energy Cost Adjustment Clause described below will be added to the customer bills.

All base rate schedule discounts, surcharges, and all other adjustments will not apply to the energy cost adjustment.

Energy Cost Adjustment Clause:

This Energy Cost Adjustment Clause shall include the following:

FUEL AND PURCHASED ENERGY - The above rates are based on a company-owned central station and other generation cost (exclusive of company-owned distributed generation (DG)) of 1,547.93 cents per million BTU for fuel delivered in its service tanks, a purchased energy composite cost of 15.007 cents per kilowatthour, and a company-owned DG energy composite cost of 22.250 cents per kilowatthour for fuel delivered to the fuel tank at the site used for company-owned DG. Company-generated energy from non-fuel sources shall be considered as zero fuel cost in the determination of the composite fuel cost.

When the Company-generated Composite Cost of Generation is more or less than 1,547.93 cents per million BTU, and/or the Purchased Energy Cost is more or less than 15.007 cents per kilowatthour, and/or the company-owned DG Energy Composite Cost is more or less than 22.2250 cents per kilowatthour, a corresponding adjustment (Energy Cost Adjustment Factor) to the energy charges shall be made.

MAUI ELECTRIC COMPANY, LIMITED

Docket No. 2006-0387, D&O No. \_\_\_\_\_.

Superseding Revised Sheet No. 69A  
Effective April 15, 1999

REVISED SHEET NO. 69A  
Effective

MAUI DIVISION

Energy Cost Adjustment Clause (Continued)

This adjustment shall be comprised of a Company Composite Central Station With Other Generation Component, a Purchased Energy Component, and a DG Energy Generation Component.

The Company Composite Central Station With Other Generation Component shall be the difference between the current Weighted Composite Central Station + Other Generation Cost and the Weighted Base Central Station + Other Generation Cost, adjusted for additional revenue taxes. The current Weighted Composite Central Station + Other Generation Cost shall be determined by the current Composite Cost of Generation in cents per million BTU weighted by the proportion of current company-owned central station + Other generation to total system net energy, multiplied by the 2007 test-year efficiency factors of 0.015311 million BTU per kilowatthour for industrial fuel, 0.009460 million BTU per kilowatthour for diesel fuel, and 0.010648 million BTU per kilowatthour for other company generation sources, weighted by the current proportion of generation produced by each generation source to the total company-owned generation.

The Weighted Base Central Station + Other Generation Cost is the Base Central Station + Other Generation Cost of 1,547.93 cents per million BTU weighted by the 2007 Test Year proportion of company-owned central station + Other generation to total system net energy, multiplied by the 2007 Test Year efficiency factor of 0.010648 million BTU per kilowatthour.

The Purchased Energy Component shall be the difference between (1) the current Composite Cost of Purchased Energy weighted by the proportion of current purchased energy to the total system net energy, and (2) the Base Purchased Energy Composite Cost of 15.007 cents per kilowatthour weighted by the 2007 Test Year proportion of the purchased energy to total system net energy, adjusted to the sales delivery level and for additional revenue taxes.

The Distributed Generation Energy Component shall be the difference between (1) the current Composite Cost of DG Energy weighted by the proportion of current DG energy to total system net energy, and (2) the Base DG Energy Composite Cost of 22.250 cents per kilowatthour weighted by the proportion of the 2007 Test Year DG energy to total system net energy, adjusted to the sales delivery level and for additional revenue taxes.

The Energy Cost Adjustment Factor shall be the sum of the Central Station With Other Generation Component, the Purchased Energy Component and the DG Energy Generation Component.

MAUI ELECTRIC COMPANY, LIMITED

SHEET NO. 69B  
Effective

MAUI DIVISION

Energy Cost Adjustment Clause (Continued)

The revenue tax requirement shall be calculated using current rates of the Franchise Tax, Public Service Company Tax, and Public Utility Commission Fee.

The Adjustment shall be effective on the date of cost change. When a cost change occurs during a customer's billing period, the Adjustment will be prorated for the number of days each cost was in effect.

This Energy Cost Adjustment Clause is consistent with the terms of the Company's operations, purchased energy contracts, and DG contracts, and may be revised to reflect any revisions or changes in operations, purchased energy contracts, and is subject to approval by the Commission.

Reconciliation Adjustment:

In order to reconcile any differences that may occur between recorded and forecasted Energy Cost Adjustment Clause revenues, the year-to-date recorded revenue from the Energy Cost Adjustment Clause will be compared with the year-to-date revenue expected from the Energy Cost Adjustment Clause on a quarterly basis. If there is a variance between the recorded Energy Cost Adjustment Clause revenue and the expected Energy Cost Adjustment Clause revenue, an adjustment, lagged by two months, shall be made to the Energy Cost Adjustment Clause to reconcile the revenue variance over the sales estimated for the subsequent quarter.

MAUI ELECTRIC COMPANY, LIMITED

Superseding Revised Sheet No. 70  
Effective June 1, 2006

REVISED SHEET NO. 70  
Effective

MAUI DIVISION

INTEGRATED RESOURCE PLANNING  
COST RECOVERY PROVISION

Supplement To

Schedule "R"	- Residential Service
Schedule "E"	- Electric Service for Employees
Schedule "G"	- General Service Non-Demand
Schedule "J"	- General Service Demand
Schedule "H"	- Commercial Cooking, Heating, Air Conditioning and Refrigeration Service
Schedule "P"	- Large Power Service
Schedule "F"	- Public Street Lighting
Schedule "U"	- Time-of-Use Service
Schedule "TOU-R"	- Residential Time-of-Use Service
Schedule "TOU-G"	- Small Commercial Time-of-Use Service
Schedule "TOU-J"	- Commercial Time-of-Use Service
Schedule "TOU-P"	- Large Power Time-of-Use Service

All terms and provisions of Schedules "R", "E", "G", "J", "H", "P", "F", "U", "TOU-R", "TOU-G", "TOU-J" and "TOU-P" are applicable, except that the total base rate charges for each billing period shall be increased by the following Integrated Resource Planning (IRP) Cost Recovery Adjustment, Residential Demand-Side Management (DSM) Adjustment, and Commercial and Industrial Demand-Side Management (DSM) Adjustment:

A. INTEGRATED RESOURCE PLANNING COST RECOVERY ADJUSTMENT:

All Rate Schedules..... 0.000 percent

The total base rate charges for all rate schedules shall be decreased by the above Integrated Resource Planning Cost Recovery Adjustment, which is based on the reconciliation of the recovery of the \_\_\_\_\_ IRP Planning Costs, including interest and taxes, as approved by the Public Utilities Commission.

The total base rate charges for the current billing period shall include all base rate schedule charges, discounts, surcharges, or base rate adjustments, excluding the Energy Cost Adjustment, Firm Capacity Surcharge, Firm Capacity Surcharge Adjustment, Residential DSM Adjustment, and Commercial and Industrial DSM Adjustment.

MAUI ELECTRIC COMPANY, LIMITED

Superseding Revised Sheet No. 71  
Effective June 1, 2006

REVISED SHEET NO. 71  
Effective

MAUI DIVISION

INTEGRATED RESOURCE PLANNING COST RECOVERY PROVISION - Continued

B. Residential Demand-Side Management (DSM) Adjustment

Schedule R and TOU-R - per kWhr.....        ¢/kWh

The total residential monthly bill shall include the above Residential DSM adjustment applied to all kWh per month. The above Residential DSM adjustment is based on recovering \$\_\_\_\_\_ for the 2007 residential program costs and revenue taxes and the reconciliation of the 2006 program cost recovery for which recovery has been approved by the Public Utilities Commission.

C. Commercial and Industrial Demand-Side Management (DSM) Adjustment:

Schedules G, J, H, P, U, TOU-G, TOU-J, TOU-P- per kWhr        ¢/kWh

The total monthly bill for Schedules G, J, H, P, U, TOU-G, TOU-J, and TOU-P customers shall include the above Commercial and Industrial DSM adjustment applied to all kWh per month. The above adjustment is based on recovering \$\_\_\_\_\_ for the 2007 C&I program costs and revenue taxes and the reconciliation of the 2006 program cost recovery for which recovery has been approved by the Public Utilities Commission.

RECONCILIATION ADJUSTMENT: (To be added to Integrated Resource Planning Cost Recovery Adjustment, Residential DSM Adjustment, Commercial and Industrial DSM Adjustment):

In order to reconcile any differences that may occur between the above costs to be recovered and the revenues received from the above adjustments, recorded revenues will be compared with the above costs. The Integrated Resource Planning Cost Recovery, Residential DSM Adjustment, and the Commercial and Industrial DSM Adjustment will be reconciled annually. If there is a variance between the recorded revenues from the adjustments and the costs to be recovered, a reconciliation adjustment, lagged by two months, will be made to the above adjustments.

MAUI ELECTRIC COMPANY, LIMITED



Superseding Revised Sheet No. 81  
Effective April 15, 1999

REVISED SHEET NO. 81  
Effective

MAUI DIVISION

SCHEDULE "Q"

Purchases From Qualifying Facilities - 100 KW or Less

Availability:

This schedule is available to customers with cogeneration and/or small power production facilities which qualify under the Commission's Rules, Chapter 74 of Title 6, Subchapter 2 with a design capacity of 100 kilowatts or less. Such qualifying facilities (QF's) shall be designed to operate properly in parallel with the Company's system without adversely affecting the operations of its customers and without presenting safety hazards to the Company's or other customer's personnel. The customer shall comply with the Company's requirements for customer generation interconnected with the utility system.

Energy delivered to the customer by the Company will be metered separately from the energy delivered by the customer to the Company.

Rate for Energy Delivered to the Company by Customer

The Company will pay for energy as follows:

All kwh per month - per kwh	19.32 cents
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Metering Charge:

There is a monthly charge to the customer for metering, billing and administration of the interconnection for purchase power as follows:

Single phase service - per month	\$5.00
Three phase service - per month	\$10.00

Energy Delivered to the Customer by the Company:

Energy delivered to the customer shall be billed on an applicable Company rate schedule.

System Compatibility:

The customer must deliver electric power at 60 hertz and the same phase and voltage as the customer receives service from the Company.

MAUI ELECTRIC COMPANY, LIMITED

Docket No. 2006-0387, D&O No. \_\_\_\_\_.

Superseding Revised Sheet No. 81A  
Effective April 15, 1999

REVISED SHEET NO. 81A  
Effective

MAUI DIVISION

Schedule "Q" (Continued)

Interconnection Facilities:

The customer shall furnish, install, operate and maintain facilities such as relays, switches, synchronizing equipment, monitoring equipment and control and protective devices designated by the Company as suitable for parallel operation with the Company system. Such facilities shall be accessible at all times to authorized Company personnel. All designs should be approved by the Company prior to installation.

If additional Company facilities are required or the existing facilities must be modified to accept the QF's deliveries, the QF shall make a contribution for the cost of such additional facilities.

Contract:

The Company shall require a contract specifying technical and operating aspects of parallel generation.

Fuel Clause:

The above rate for energy delivered to the Company by the Customer is based on a composite cost of central station and DG fuel for Company generation of 1547.97 cents per million Btu for fuel delivered in its service tanks. Effective the first day of January, April, July, and October an Adjustment shall be made to reflect the Company-generated fuel cost on file with the Commission and shall be effective for the following three months.

The Adjustment shall be the sum of the time-weighted on-peak adjustment (14 hours of 24 hours) and off-peak adjustment (10 hours of 24 hours). On-peak and off-peak adjustments shall be determined by the amount of the Company-generated fuel cost increase or decrease (in terms of cents per million Btu) from the base of 1547.97 cents per million Btu multiplied by an on-peak heat rate of 12,856 Btu per net kilowatthour and an off-peak heat rate of 11,600 Btu per net kilowatthour.

This Fuel Clause is consistent with the terms of the Company's operations and may be revised to reflect any revisions or changes in operations, subject to approval by the Commission.

MAUI ELECTRIC COMPANY, LIMITED

Superseding Revised Sheet No. 82  
Effective January 1, 1999

REVISED SHEET NO. 82  
Effective

MAUI DIVISION

GREEN PRICING PROGRAM PROVISION

AVAILABILITY:

Available to all residents/non-residents of the island of Maui who wish to make voluntary contributions for the development of renewable energy resources on Maui.

GREEN PRICING PROGRAM:

The objective of the Green Pricing Program is to encourage the development of Hawaii's renewable energy resources. The participant's voluntary contributions under the Green Pricing Program Provision are used to develop renewable energy facilities.

The Company's Sun Power for Schools Pilot Program is a pilot project under which photovoltaic systems are installed on selected public schools on the island of Maui. The participating school will own the photovoltaic facility and use the energy produced by the system at no cost. Contributions received from the participants in this Green Pricing Program Provision are used to help fund this pilot program.

Other renewable energy projects may be developed in the future as part of the Company's Green Pricing Program, depending on the availability of contributions received from this Green Pricing Program Provision.

VOLUNTARY PARTICIPATION:

1. Participation in the Green Pricing Program through the Green Pricing Program Provision, is voluntary and may be terminated by the participant at any time.
2. Any resident/non-resident of the Island of Maui may contribute to the Green Pricing Program through the Green Pricing Program Provision by completing a standard program sign-up form which indicates the participant's mailing address, electric service account number (if participant is currently a MECO customer), and the contribution payment option desired. The Green Pricing Program Provision contribution payment options are listed below.

MAUI ELECTRIC COMPANY, LIMITED

Superseding Revised Sheet No. 82A  
Effective January 1, 1999

REVISED SHEET NO. 82A  
Effective

MAUI DIVISION

GREEN PRICING PROGRAM PROVISION (Continued)

3. A participant may terminate his/her voluntary contribution to the Green Pricing Program at any time by submitting a written or telephonic request to the Company to terminate participation in the Green Pricing Program Provision.

CONTRIBUTION PAYMENT OPTIONS:

A participant will specify the amount of his/her voluntary contribution (in whole dollars) and shall elect one of the following payment options:

Option 1: Monthly Contribution - the participant will be billed monthly based on the participant's specified dollar contribution amount.

Option 2: One Time Contribution - the participant will be billed one time for one lump sum contribution.

TERMS AND CONDITIONS:

1. Payments received by the Company shall be applied first to the participant's outstanding electric service bill balance, if any, and the remainder shall be applied to the participant's contribution to the Green Pricing Program under the Green Pricing Program Provision.
2. Electric Service will not be terminated if the participant fails to make contribution payments under the Green Pricing Program Provision.
3. The Company may terminate a participant's participation in the Green Pricing Program Provision, if the participant fails to make contribution payments for two (2) consecutive months.
4. The Company's late payment charge shall not apply to the participant's voluntary contributions under the Green Pricing Program Provision.

MAUI ELECTRIC COMPANY, LIMITED

Docket No. 2006-0387, D&O No. \_\_\_\_\_.

SHEET NO. 83  
Effective

MAUI DIVISION  
SCHEDULE TOU-R  
RESIDENTIAL TIME-OF-USE SERVICE

AVAILABILITY:

Applicable to residential service metered and billed separately by the Company. This Schedule does not apply where a residence and business are combined. Service under this Schedule will be delivered at secondary voltages as specified by the Company.

Service under this Schedule shall be limited to a total of 300 meters.

RATES:

CUSTOMER CHARGE - \$ per customer per month:

Single-Phase Service - per month	\$7.50/month
Three-Phase Service - per month	\$12.00/month

ENERGY CHARGES - ¢ per kWh:

Base Charges

First 350 kWh per month - per kWhr	28.3221 ¢/kWhr
Next 850 kWh per month - per kWhr	29.1367 ¢/kWhr
All kWh over 1,200 kWh per month - per kWhr	29.6748 ¢/kWhr

Time-of-Use Charges

Priority Peak Period - per kWhr	5.0 ¢/kWhr
Mid-Peak Period - per kWhr	2.5 ¢/kWhr
Off-Peak Period - per kWhr	- 5.0 ¢/kWhr

MAUI ELECTRIC COMPANY, LIMITED

SHEET NO. 83A  
Effective

MAUI DIVISION  
SCHEDULE TOU-R (Continued)

MINIMUM CHARGE:

The minimum charge shall be \$17.00.

TIME-OF-USE RATING PERIODS:

The time-of-use rating periods under this Schedule shall be defined as follows:

Priority Peak:	5:00 p.m.-9:00 p.m., Monday-Friday
Mid-Peak:	7:00 a.m.-5:00 p.m., Monday-Friday 7:00 a.m.-9:00 p.m., Saturday-Sunday
Off-Peak:	9:00 p.m.-7:00 a.m., Daily

DETERMINATION OF TIME-OF-USE ENERGY:

The Company shall install, own, operate and maintain a time-of-use meter to measure the customer's kWh energy consumption during the time-of-use rating periods.

TERMS AND CONDITIONS:

- 1) The Company may meter the customer's energy usage pattern for one to two months before the customer's service start date under this Schedule, to allow the Company to gather the customer's baseline load profile.
- 2) The Company shall install the time-of-use meter in accordance with Rule 14. Although the existing service equipment is expected to be used, the customer shall provide, install, and maintain the service equipment specified in Rule 14, such as all the conductors, service switches, meter socket, meter panel, and other similar devices required for service connection and meter installations on the customer's premises.

MAUI ELECTRIC COMPANY, LIMITED

SHEET NO. 83B  
Effective

MAUI DIVISION

SCHEDULE TOU-R (Continued)

- 3) The Company may request a customer to allow the Company shared-use of its telephone line to enable the Company to remotely download the customer's usage data from the meter.
- 4) A customer may terminate service under this rate Schedule and return to the regular Schedule R at any time without penalty, by a written notice to the Company. The change shall become effective at the start of the next regular billing period following the date of receipt by the Company of the notice from the customer. If a customer elects to discontinue service under this Schedule, the customer will not be permitted to return to this Schedule for a period of one year.

ENERGY COST ADJUSTMENT CLAUSE:

The energy cost adjustment provided in the Energy Cost Adjustment Clause shall be added to the Customer and Energy Charges.

INTEGRATED RESOURCE PLANNING COST RECOVERY PROVISION:

The Integrated Resource Planning Surcharge shall be added to the Customer and Energy Charges, and energy cost adjustment.

RULES AND REGULATIONS:

Service supplied under this rate schedule shall be subject to the Rules and Regulations of the Company.

MAUI ELECTRIC COMPANY, LIMITED

SHEET NO. 84  
Effective

MAUI DIVISION  
SCHEDULE TOU-G  
SMALL COMMERCIAL TIME-OF-USE SERVICE

AVAILABILITY:

Applicable to general light and/or power loads less than or equal to 5,000 kilowatthours per month, and less than or equal to 25 kilowatts, and supplied through a single meter. Customers served under this Schedule who exceed 5,000 kilowatthours per month or 25 kilowatts will be automatically transferred to Schedule TOU-J at the beginning of the next billing period.

Service will be delivered at secondary voltages as specified by the Company, except where the nature or location of the customer's load makes delivery at secondary voltage impractical, the Company may, at its option, deliver the service at a nominal primary voltage as specified by the Company.

Service under this Schedule shall be limited to a total of 100 meters.

RATE:

CUSTOMER CHARGE:

Single-Phase Service - per month	\$25.00/month
Three-Phase Service - per month	\$40.00/month

ENERGY CHARGE: (To be added to Customer and Demand Charge)

Priority Peak Period - per kWhr	34.8037 ¢/kWhr
Mid-Peak Period - per kWhr	32.3037 ¢/kWhr
Off-Peak Period - per kWhr	24.8037 ¢/kWhr

MINIMUM CHARGE: Customer Charge

MAUI ELECTRIC COMPANY, LIMITED



SHEET NO. 84A  
Effective

MAUI DIVISION

SCHEDULE TOU-G - continued

TIME-OF-USE RATING PERIODS:

The time-of-use rating periods shall be as follows:

Priority Peak:	5:00 a.m. - 9:00 p.m., Monday - Friday
Mid-Peak:	7:00 a.m. - 5:00 p.m., Monday - Friday
	7:00 a.m. - 9:00 p.m., Saturday - Sunday
Off-Peak:	9:00 p.m. - 7:00 a.m., Daily

DETERMINATION OF TIME-OF-USE ENERGY:

The Company shall install, own, operate and maintain a time-of-use meter to measure the customer's kWh energy consumption during the time-of-use rating periods.

TERMS AND CONDITIONS:

- 1) The Company may meter the customer's energy usage pattern for one to two months before the customer's service start date under this Schedule, to allow the Company to gather the customer's baseline load profile.
- 2) The Company shall install the time-of-use meter in accordance with Rule 14. Although the existing service equipment is expected to be used, the customer shall provide, install, and maintain the service equipment specified in Rule 14, such as all the conductors, service switches, meter socket, meter panel, and other similar devices required for service connection and meter installations on the customer's premises.
- 3) The Company may request a customer to allow the Company shared-use of its telephone line to enable the Company to remotely download the customer's usage data from the meter.

MAUI ELECTRIC COMPANY, LIMITED

SHEET NO. 84B  
Effective

MAUI DIVISION

SCHEDULE TOU-G - continued

- 4) A customer may terminate service under this rate Schedule and return to the regular Schedule G at any time without penalty, by a written notice to the Company. The change shall become effective at the start of the next regular billing period following the date of receipt by the Company of the notice from the customer. If a customer elects to discontinue service under this Schedule, the customer will not be permitted to return to this Schedule for a period of one year.

Energy Cost Adjustment Clause:

The energy cost adjustment provided in the Energy Cost Adjustment Clause shall be added to the Customer, Demand, and Energy charges.

Integrated Resource Planning Cost Recovery Provision:

The Integrated Resource Planning Surcharge shall be added to the Customer, Demand, and Energy charges, and energy cost adjustment.

Rules and Regulations:

Service supplied under this rate shall be subject to the Rules and Regulations of the Company.

SHEET NO. 85  
Effective

MAUI DIVISION  
SCHEDULE TOU-J  
COMMERCIAL TIME-OF-USE SERVICE

AVAILABILITY:

Applicable to general light and/or power loads which exceed 5,000 kilowatthours per month three times within a twelve-month period or which exceed 25 kW per month and but are less than 200 kW per month. This Schedule cannot be used in conjunction with load management Riders M, T, and I, Schedule U, and Schedule TOU-P.

RATE:

CUSTOMER CHARGE:

Single-Phase Service - per month	\$60.00/month
Three-Phase Service - per month	\$75.00/month

DEMAND CHARGE - (To be added to Customer and Energy Charge)

Priority Peak - per kW of billing demand	\$16.00/kW
Mid-Peak - per kW of billing demand	\$12.00/kW

The customer shall be billed the Priority Peak demand charge if his maximum measured kW demand for the billing period occurs during the priority peak period. If the customer's maximum measured kW demand for the billing period occurs during the Mid-Peak period, the Mid-Peak demand charge will apply. If the customer's maximum kW demand during the Priority Peak period is equal to his maximum kW demand during the Mid-Peak period, the Priority Peak demand charge shall apply.

ENERGY CHARGE: (To be added to Customer Charge)

Priority Peak Period - per kWhr	30.9283 ¢/kWhr
Mid-Peak Period - per kWhr	28.9283 ¢/kWhr
Off-Peak Period - per kWhr	18.9283 ¢/kWhr

MAUI ELECTRIC COMPANY, LIMITED

SHEET NO. 85A  
Effective

MAUI DIVISION

SCHEDULE TOU-J - (continued)

MINIMUM CHARGE:

The minimum charge per month shall be the sum of the Customer Charge and the Demand Charge. The Demand Charge shall be computed with the above demand charge applied to kilowatts of demand. The kilowatts of demand for the minimum charge calculation each month shall not be less than 25 kW.

TIME-OF-USE RATING PERIODS:

The time-of-use rating periods shall be as follows:

Priority Peak:	5:00 a.m. - 9:00 p.m., Monday - Friday
Mid-Peak:	7:00 a.m. - 5:00 p.m., Monday - Friday
	7:00 a.m. - 9:00 p.m., Saturday - Sunday
Off-Peak:	9:00 p.m. - 7:00 a.m., Daily

DETERMINATION OF TIME-OF-USE ENERGY AND DEMAND:

The Company shall install a time-of-use meter to measure the customer's kilowatthour consumption and kilowatt load during the time-of-use rating periods. The maximum demand for the rating periods for each month shall be the maximum average load in kilowatts during any fifteen-minute period as indicated by a time-of-use meter. The kilowatts of billing demand for each month shall be the maximum measured demand outside of the Off-Peak hours, but not less than 25 kW.

Power Factor:

The above energy and demand charges are based upon an average monthly power factor of 85%. For each 1% the average power factor is above or below 85%, the monthly energy and demand charges as computed under the above rates shall be decreased or increased, respectively, by 0.10%.

MAUI ELECTRIC COMPANY, LIMITED

SHEET NO. 85B  
Effective

MAUI DIVISION

SCHEDULE TOU-J - (continued)

Power Factor - continued:

The average monthly power factor will be determined from the readings of a kWhr meter and kvarh meter, and will be computed to the nearest whole percent and not exceeding 100% for the purpose of computing the adjustment. The kvarh meter shall be ratcheted to prevent reversal in the event the power factor is leading at any time.

Supply Voltage Delivery:

If the customer takes delivery at the Company's supply line voltage, the demand and energy charges will be decreased as follows:

Transmission voltage supplied without further transformation -4.4%  
Distribution voltage supplied without further transformation -1.1%

Metering will normally be at the delivery voltage. When the customer's transformers are adjacent to the delivery point, the customer may elect to be metered at a single point on the secondary side of his transformers where such point is approved by the Company. When the energy is metered on the secondary side of the customer's transformers, the above decreases will be 3.8% and 0.5%, respectively.

Energy Cost Adjustment Clause:

The energy cost adjustment provided in the Energy Cost Adjustment Clause shall be added to the Customer, Demand, and Energy charges.

Integrated Resource Planning Cost Recovery Provision:

The Integrated Resource Planning Surcharge shall be added to the Customer, Demand, and Energy charges, and energy cost adjustment.

Rules and Regulations:

Service supplied under this rate shall be subject to the Rules and Regulations of the Company.

MAUI ELECTRIC COMPANY, LIMITED

SHEET NO. 86  
Effective

MAUI DIVISION

SCHEDULE TOU-P

LARGE POWER TIME-OF-USE SERVICE

AVAILABILITY:

Applicable to large light and/or power service supplied and metered at a single voltage and delivery point. Loads must exceed 200 kW per month. This Schedule cannot be used in conjunction with load management Riders M, T, and I, and Schedule TOU-P.

RATE:

CUSTOMER CHARGE: \$385.00 per month

DEMAND CHARGE - (To be added to Customer and Energy Charge)

Priority Peak	- per kW of billing demand	\$19.50/kW
Mid-Peak	- per kW of billing demand	\$18.00/kW

The customer shall be billed the Priority Peak demand charge if his maximum measured kW demand for the billing period occurs during the priority peak period. If the customer's maximum measured kW demand for the billing period occurs during the Mid-Peak period, the Mid-Peak demand charge will apply. If the customer's maximum kW demand during the Priority Peak period is equal to his maximum kW demand during the Mid-Peak period, the Priority Peak demand charge shall apply.

ENERGY CHARGE: (To be added to Customer Charge)

Priority Peak Period	- per kWhr	29.2018 ¢/kWhr
Mid-Peak Period	- per kWhr	27.2018 ¢/kWhr
Off-Peak Period	- per kWhr	17.2018 ¢/kWhr

MAUI ELECTRIC COMPANY, LIMITED

SHEET NO. 86A  
Effective

MAUI DIVISION

SCHEDULE TOU-P - (continued)

MINIMUM CHARGE:

The minimum charge per month shall be the sum of the Customer Charge and the Demand Charge. The Demand Charge shall be computed with the above demand charge applied to kilowatts of demand. The kilowatts of demand for the minimum charge calculation each month shall not be less than 200 kW.

TIME-OF-USE RATING PERIODS:

The time-of-use rating periods shall be as follows:

Priority Peak:	5:00 a.m. - 9:00 p.m., Monday - Friday
Mid-Peak:	7:00 a.m. - 5:00 p.m., Monday - Friday
	7:00 a.m. - 9:00 p.m., Saturday - Sunday
Off-Peak:	9:00 p.m. - 7:00 a.m., Daily

DETERMINATION OF TIME-OF-USE ENERGY AND DEMAND:

The Company shall install a time-of-use meter to measure the customer's kilowatthour consumption and kilowatt load during the time-of-use rating periods. The maximum demand for the rating periods for each month shall be the maximum average load in kilowatts during any fifteen-minute period as indicated by a time-of-use meter. The kilowatts of billing demand for each month shall be the maximum measured demand outside of the Off-Peak hours, but not less than 200 kW.

Power Factor:

The above energy and demand charges are based upon an average monthly power factor of 85%. For each 1% the average power factor is above or below 85%, the monthly energy and demand charges as computed under the above rates shall be decreased or increased, respectively, by 0.10%.

MAUI ELECTRIC COMPANY, LIMITED

Docket No. 2006-0387, D&O No. \_\_\_\_\_.

SHEET NO. 86B  
Effective

MAUI DIVISION

SCHEDULE TOU-P - (continued)

Power Factor - continued:

The average monthly power factor will be determined from the readings of a kWhr meter and kvarh meter, and will be computed to the nearest whole percent and not exceeding 100% for the purpose of computing the adjustment. The kvarh meter shall be ratcheted to prevent reversal in the event the power factor is leading at any time.

Supply Voltage Delivery:

If the customer takes delivery at the Company's supply line voltage, the demand and energy charges will be decreased as follows:

Transmission voltage supplied without further transformation -4.4%  
Distribution voltage supplied without further transformation -1.1%

Metering will normally be at the delivery voltage. When the customer's transformers are adjacent to the delivery point, the customer may elect to be metered at a single point on the secondary side of his transformers where such point is approved by the Company. When the energy is metered on the secondary side of the customer's transformers, the above decreases will be 3.8% and 0.5%, respectively.

Energy Cost Adjustment Clause:

The energy cost adjustment provided in the Energy Cost Adjustment Clause shall be added to the Customer, Demand, and Energy charges.

Integrated Resource Planning Cost Recovery Provision:

The Integrated Resource Planning Surcharge shall be added to the Customer, Demand, and Energy charges, and energy cost adjustment.

Rules and Regulations:

Service supplied under this rate shall be subject to the Rules and Regulations of the Company.

MAUI ELECTRIC COMPANY, LIMITED



Superseding Revised Sheet No. 50D  
Effective July 4, 1999

REVISED SHEET NO. 50D  
Effective

LANAI DIVISION  
RATE SCHEDULES

The following listed sheets contain all rates in effect on and after the date indicated thereon subject to the Rules and Regulations of the Company applicable thereto:

<u>Sheet</u>	<u>Schedule</u>	<u>Date Effective</u>	<u>Character of Service</u>
70	"R"		Residential Service
70A	"R"		Residential Service
71	"G"		General Service Non-Demand
71A	"G"		General Service Non-Demand
72	"J"		General Service Demand
72A	"J"		General Service Demand
73	"H"		Commercial Cooking, Heating Air Conditioning & Refrigeration Service
74	"H"		Commercial Cooking, Heating Air Conditioning & Refrigeration Service
75	"P"		Large Power Service
76	"P"		Large Power Service
77	"F"		Public Street Lighting
78	"F"		Public Street Lighting

(PAGES 79 NOT ASSIGNED)

80	"E"		Electric Service for Employees
81	"U"		Time-of-Use Service

Superseding Revised Sheet No. 50E  
Effective June 1, 2006

REVISED SHEET NO. 50E  
Effective

LANAI DIVISION  
RATE SCHEDULES (Continued)

<u>Sheet</u>	<u>Schedule</u>	<u>Date Effective</u>	<u>Character of Service</u>
81A	"U"		Time-of-Use Service
81B	"U"		Time-of-Use Service
82	Rider "I"		Interruptible Contract Service
83	Rider "M"		Off-Peak and Curtailable Service
83A	Rider "M"		Off-Peak and Curtailable Service
83B	Rider "M"		Off-Peak and Curtailable Service
83C	Rider "M"		Off-Peak and Curtailable Service

(PAGES 84- 86 NOT ASSIGNED)

87	Rider "T"	Time-of-Day Service
87A	Rider "T"	Time-of-Day Service
87B	Rider "T"	Time-of-Day Service
88	Energy Cost Adjustment Clause	All Schedules Except Schedule Q
88A	Energy Cost Adjustment Clause	All Schedules Except Schedule Q
88B	Energy Cost Adjustment Clause	All Schedules Except Schedule Q
89	IRP Cost Recovery Provision	All Schedules Except Schedule Q
90	IRP Cost Recovery Provision	All Schedules Except Schedule Q
91	"Q"	Purchases From Qualifying Facilities - 100 KW or Less
91A	"Q"	Purchases From Qualifying Facilities - 100 KW or Less

Superseding Revised Sheet No. 50F  
Effective April 15, 1999

REVISED SHEET NO. 50F  
Effective

LANAI DIVISION  
RATE SCHEDULES

<u>Sheet</u>	<u>Schedule</u>	<u>Date Effective</u>	<u>Character of Service</u>
92	Green Pricing Program Provision	January 1, 1999	Green Pricing
92A	Green Pricing Program Provision	January 1, 1999	Green Pricing

(PAGES 93 - 94 NOT ASSIGNED)

95	"TOU-R"	Residential Time-of-Use
95A	"TOU-R"	Residential Time-of-Use
95B	"TOU-R"	Residential Time-of-Use
96	"TOU-G"	Small Commercial Time-of-Use
96A	"TOU-G"	Small Commercial Time-of-Use
96B	"TOU-G"	Small Commercial Time-of-Use
97	"TOU-J"	Commercial Time-of-Use
97A	"TOU-J"	Commercial Time-of-Use
97B	"TOU-J"	Commercial Time-of-Use
98	"TOU-P"	Large Power Time-of-Use
98A	"TOU-P"	Large Power Time-of-Use
98B	"TOU-P"	Large Power Time-of-Use

Superseding Revised Sheet No. 70  
Effective July 4, 1999

REVISED SHEET NO. 70  
Effective

LANAI DIVISION

SCHEDULE "R"

Residential Service

Availability:

Applicable to residential lighting, heating, cooking, air conditioning and power in a single family dwelling unit metered and billed separately by the Company. This schedule does not apply where a residence and business are combined.

Service will be delivered at secondary voltages as specified by the Company.

Rate:

CUSTOMER CHARGE:

Single phase service - per month	\$7.50
Three phase service - per month	\$12.00

NON-FUEL ENERGY CHARGE (To be added to Customer Charge)

First 250 kWhr per month - per kWhr	10.4932 ¢
Next 500 kWhr per month - per kWhr	10.9998 ¢
All kWhr over 750 kWhr per month- per kWhr	11.7853 ¢

BASE FUEL/ENERGY CHARGE (To be added to Customer Charge  
and Non-Fuel Energy Charge)

All kWhr per month - per kWhr	22.7573 cents
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Minimum Charge:

The minimum monthly charge shall be \$17.00

Apartment House Collection Arrangement:

Any apartment owner having three or more apartments at one location, each apartment being separately metered and billed on the above rate, may elect to accept a discount of ten (10%) of the amount of the bills rendered for each apartment, but not to exceed \$6.50 per month for each apartment, upon entering into the following collection agreement with the Company under the following terms and conditions:

- 1) All accounts shall be kept in the name of the apartment house owner who shall assume the responsibility for the prompt payment of all bills.

MAUI ELECTRIC COMPANY, LIMITED

Docket No. 2006-0387, D&O No. \_\_\_\_\_.

Superseding Revised Sheet No. 70A  
Effective August 18, 1994

REVISED SHEET NO. 70A  
Effective

LANAI DIVISION

Schedule "R" (Continued)

- 2) All accounts shall remain active at all times and, though vacant, shall be subject to the minimum charge. Individual apartments cannot be added or deleted from this agreement more often than once in twelve months.
- 3) The Company will render individual bills for each apartment on a regular billing period basis and will also furnish a statement showing gross and net billings.

Energy Cost Adjustment Clause:

The energy cost adjustment provided in the Energy Cost Adjustment Clause shall be added to the Customer, Demand, and Energy Charges.

Integrated Resource Planning Cost Recovery Clause:

The Integrated Resource Planning Adjustment provided in the Integrated Resource Cost Recovery Clause shall be added to the Customer, Demand, and Energy Charges, and energy cost adjustment.

Rules and Regulations:

Service supplied under this rate shall be subject to the Rules and Regulations of the Company.

Superseding Revised Sheet No. 71  
Effective April 15, 1999

REVISED SHEET NO. 71  
Effective

LANAI DIVISION

SCHEDULE "G"

General Service Non-Demand

Availability:

Applicable to general light and/or power loads less than or equal to 5000 kwh per month, and less than or equal to 25 kilowatts, and supplied through a single meter.

If a customer's usage exceeds 5000 kwh per month or in the opinion of the Company exceed 25 kw of demand three times in a twelve-month period, a demand meter will be installed and the customer's billing will be transferred to Schedule "J" beginning with the next convenient billing period.

Service will be delivered at secondary voltages as specified by the Company, except that where the nature or location of the customer's load makes delivery at secondary voltage impractical, the Company may, at its option, deliver the service at a nominal primary voltage as specified by the Company. Service supplied at primary voltage shall be subject to the special terms and conditions set forth below.

Rate:

CUSTOMER CHARGE:

Single phase service - per month	\$30.00
Three phase service - per month	\$45.00

ENERGY CHARGE: (To be added to Customer Charge)

All kwhr per month - per kwhr	35.4062 cents
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Minimum Charge:

Single phase service - per month	\$35.00
Three phase service - per month	\$50.00

Primary Supply Voltage Service:

Where, at the option of the Company, service is delivered and metered at the primary supply line voltage, the above energy charges will be decreased by 1.1%. When customers' transformers are adjacent to the delivery point, the Company may permit the customer to be metered at a single point on the secondary side of his transformers where such point is approved by the Company. When the energy is metered on the secondary side of the customers' transformers, the above energy charge will be decreased by 0.5%

MAUI ELECTRIC COMPANY, LIMITED

Docket No. 2006-0387, D&O No. \_\_\_\_\_.

Superseding Sheet No. 71A  
Effective August 18, 1994

REVISED SHEET NO. 71A  
Effective

Schedule "G" (Continued)

Energy Cost Adjustment Clause:

The energy cost adjustment provided in the Energy Cost Adjustment Clause shall be added to the Customer, Demand, and Energy Charges.

Integrated Resource Planning Cost Recovery Clause:

The Integrated Resource Planning Adjustment provided in the Integrated Resource Cost Recovery Clause shall be added to the Customer, Demand, and Energy Charges, and energy cost adjustment.

Rules and Regulations:

Service supplied under this rate shall be subject to the Rules and Regulations of the Company.

Superseding Revised Sheet No. 72  
Effective April 15, 1999

REVISED SHEET NO. 72  
Effective

LANAI DIVISION  
SCHEDULE "J"  
General Service Demand

Availability:

Applicable to general light and/or power loads which exceed 5000 kilowatthours per month three times within a twelve-month period, or 25 kilowatts, and supplied through a single meter.

This schedule is closed to new customer with the kW demand equal or greater than 200 kW after \_\_\_\_\_, 2007. Existing customers with maximum measured kW demand equal to, or greater than 200 kW per month may continue to receive service under this Schedule, until the customer transfers to other applicable rate schedule.

Rate:

CUSTOMER CHARGE:

Single phase service - per month	\$45.00
Three phase service - per month	\$60.00

DEMAND CHARGE: (To be added to Customer Charge)

All kw of billing demand	\$9.00 per month per kw
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ENERGY CHARGE: (To be added to Customer and Demand Charges)

First 200 kwhr/month/kw of billing demand-per kwhr	34.9321 cents
Next 200 kwhr/month/kw of billing demand-per kwhr	33.7551 cents
Over 400 kwhr/month/kw of billing demand-per kwhr	30.7951 cents

Minimum Charge:

The minimum monthly charge shall be the sum of Customer and the Demand Charges. The Demand Charge shall be computed with the above demand charge applied to kilowatts of demand, but not less than \$225.00 per month. The kilowatts of demand for the minimum charge calculation each month shall be the highest of the maximum demand for the month, the greatest maximum demand of the preceding eleven months or 25 kw.

Determination of Demand:

The maximum demand for each month shall be the maximum average load in kilowatts during any fifteen-minute period as indicated by a demand meter. The billing demand for each month shall be the maximum demand for such month or the mean of current monthly maximum demand and the greatest maximum demand for the preceding eleven months, whichever is higher, but not less than the minimum billing demand of 25 kilowatts.

MAUI ELECTRIC COMPANY, LIMITED

Docket No. 2006-0387, D&O No. \_\_\_\_\_.



Superseding Revised Sheet No. 72A  
Effective May 5, 1997

REVISED SHEET NO. 72A  
Effective

LANAI DIVISION

Schedule "J" (Continued)

Power Factor:

For customers with maximum demands in excess of 200 kilowatts per month for any one time within a twelve-month period, the following power factor adjustment will apply to the energy and demand charges.

For each 1% the average power factor is above or below 85%, the energy and demand charges as computed under the above rates shall be decreased or increased, respectively, by 0.10%. The power factor will be computed to the nearest whole percent.

In no case, however, shall the power factor be taken as more than 100% for the purpose of computing the adjustment.

The average monthly power factor will be determined from the readings of a Kwh meter and a Kvarh meter. The Kvarh meter shall be ratcheted to prevent reversal in the event the power factor is leading any time.

Primary Supply Voltage Service

Where, at the option of the Company, service is delivered and metered at the primary supply line voltage, the above energy and demand charges will be decreased by 1.1%. When customers' transformers are adjacent to the delivery point, the Company may permit the customer to be metered at a single point on the secondary side of his transformers where such point is approved by the Company. When the energy is metered on the secondary side of the customer's transformers, the above energy and demand charges will be decreased by 0.5%

Energy Adjustment Clause:

The energy cost adjustment provided in the Energy Cost Adjustment Clause shall be added to the Customer, Demand, and Energy Charges.

Integrated Resource Planning Cost Recovery Clause:

The Integrated Resource Planning Adjustment provided in the Integrated Resource Cost Recovery Clause shall be added to the Customer, Demand, and Energy Charges, and energy cost adjustment.

Rules and Regulations:

Service supplied under this rate shall be subject to the Rules and Regulations of the Company.

MAUI ELECTRIC COMPANY, LIMITED

Docket No. 2006-0387, D&O No. \_\_\_\_\_.

Superseding Revised Sheet No. 73  
Effective April 15, 1999

REVISED SHEET NO. 73  
Effective

LANAI DIVISION  
SCHEDULE "H"

Commercial Cooking, Heating,  
Air Conditioning and Refrigeration Service

Availability:

Applicable to commercial cooking, heating (including heat pump waterheaters), air conditioning and refrigeration service. This schedule applies only where the voltage supplied by the Company is less than 600 volts. This rate is closed to new customers after \_\_\_\_\_, 2007.

Rate:

CUSTOMER CHARGE:

Single phase service - per month	\$40.00
Three phase service - per month	\$55.00

DEMAND CHARGE: (To be added to Customer Charge)

\$8.00 per month per billing kw of required kw load, but in no case less than \$8.00 per month.

ENERGY CHARGE: (To be added to Customer and Demand Charges)

All kwhr per month - per kwhr	32.8358 cents
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Minimum Charge:

The minimum monthly charge shall be the sum of Customer and Demand Charges.

Determination of Required kw load:

The required kw load for billing purposes shall be:

A. The sum of:

- 1) The total connected motor load;
- 2) 50% of the connected heating load, exclusive of cooking and all-electric resistance and heat pump waterheating; and
- 3) the connected all-electric waterheating load in excess of one-sixth kilowatt per gallon of storage capacity; or

Superseding Revised Sheet No. 74  
Effective August 18, 1994

REVISED SHEET NO. 74  
Effective

LANAI DIVISION

SCHEDULE "H" (continued)

- B. When the load is 25 KW or more the demand may be determined by measured demand. The maximum demand for each month shall be the maximum average load during any fifteen-minute period as indicated by a demand meter. The demand for each month shall be the maximum demand for such month, the highest demand in the preceding eleven months, or 25 KW, whichever is highest. Measured demand service under this schedule will be referred to as Schedule "K" service.

The required kw load will be determined to the nearest one-tenth kw.

Energy Adjustment Clause:

The energy cost adjustment provided in the Energy Cost Adjustment Clause shall be added to the Customer, Demand and Energy Charges.

Integrated Resource Planning Cost Recovery Clause:

The Integrated Resource Planning Adjustment provided in the Integrated Resource Cost Recovery Clause shall be added to the Customer, Demand, and Energy Charges, and energy cost adjustment.

Term of Contract:

Not less than one year.

Rules and Regulation:

Service supplied under this rate shall be subject to the Rules and Regulations of the Company.

Superseding Revised Sheet No. 75  
Effective April 15, 1999

REVISED SHEET NO. 75  
Effective

LANAI DIVISION  
SCHEDULE "P"

Large Power Service

Availability:

Applicable to large light and/or power service loads supplied and metered at a single voltage and delivery point.

This Schedule is closed to new customers with the kW demand less than 200 kW after \_\_\_\_\_, 2007. Existing customers with maximum measured kW demand less than 200 kW per month may continue to receive service under this Schedule, until the customer transfers to other applicable rate schedule.

RATE:

CUSTOMER CHARGE - per month \$200.00

DEMAND CHARGE - (To be added to Customer Charge)

First 500 kw of billing demand	\$22.00 per month per kw
Over 500 kw of billing demand	\$20.00 per month per kw

ENERGY CHARGE: (To be added to Customer and Demand Charges)

First 200 kwhr/month/kw of billing demand-per kwhr	32.1715 cents
Next 200 kwhr/month/kw of billing demand-per kwhr	30.6315 cents
All Over 400 kwhr/month/kw of billing demand-per kwhr	28.9215 cents

Minimum Charge:

The minimum monthly charge shall be the sum of the Customer and the Demand Charges. The Demand charge shall be computed with the above demand charges applied to kilowatts of demand. The kilowatts of demand for the minimum charge calculation each month shall be the highest of the maximum demand for the month, the greatest maximum demand of the preceding eleven months, or the minimum billing demand specified below.

Determination of Demand:

The maximum demand for each month shall be the maximum average load in kw during any fifteen-minute period as indicated by a demand meter. The billing demand for each month shall be the maximum demand for such month or the mean of current monthly maximum demand and the greatest maximum demand for the preceding eleven months, whichever is the higher, but not less than the minimum billing demand of 200 kw.

Power Factor:

The above demand and energy charges are based upon an average monthly power factor of 85%. For each 1% the average power factor is above or below 85%, the monthly bill as computed under the demand and energy charges shall be decreased or increased, respectively, by 0.10%. The power factor will be computer to the nearest whole percent.

MAUI ELECTRIC COMPANY, LIMITED

Docket No. 2006-0387, D&O No. \_\_\_\_\_.

Superseding Revised Sheet No. 76  
Effective August 18, 1994

REVISED SHEET NO. 76  
Effective

LANAI DIVISION

SCHEDULE "P" (continued)

In no case, however, shall the power factor be taken as more than 100% for the purpose of computing the adjustment.

The average monthly power factor will be determined from the readings of a Kwh meter and Kvarh meter. The Kvarh meter shall be ratcheted to prevent reversal in the event the power factor is leading at any time.

Special Terms and Conditions:

Supply Voltage Delivery:

If the customer takes delivery at the Company's supply line voltage, the demand and energy charges will be decreased as follows:

Transmission voltage supplied without further transformation	4.4%
Distribution voltage supplied without further transformation	1.1%

Metering will normally be at the delivery voltage. When customer's transformers are adjacent to the delivery point, the customer may elect to be metered at a single point on the secondary side of his transformers where such point is approved by the Company. When the energy is metered on the secondary side of the customer's transformers, the above decreases will be 3.8% and 0.5%, respectively.

Energy Cost Adjustment Clause:

The energy cost adjustment provided in the Energy Cost Adjustment Clause shall be added to the Customer, Demand, and Energy Charges.

Integrated Resource Planning Cost Recovery Clause:

The Integrated Resource Planning Adjustment provided in the Integrated Resource Cost Recovery Clause shall be added to the Customer, Demand and Energy Charges, and energy cost adjustment.

Term of Contract:

Not less than one year.

Rules and Regulations:

Service supplied under this rate shall be subject to the Rules and Regulations of the Company.

MAUI ELECTRIC COMPANY, LIMITED

Superseding Revised Sheet No. 77  
Effective April 15, 1999

REVISED SHEET NO. 77  
Effective

LANAI DIVISION

SCHEDULE "F"

Public Street Lighting

Availability:

Applicable to public street and highway lighting service supplied on the Island of Maui where the Company owns, maintains and operates the street lighting facilities.

Rate:

ENERGY CHARGE:

First 150 kwhr/month/kw of billing demand - per kwhr	36.8235 cents
Over 150 kwhr/month/kw of billing demand - per kwhr	32.3315 cents

FIXTURE CHARGE (To be added to the Energy Charge):

150 or 300 Watt Incandescent	\$ 6.00 per unit per month
250 Watt Mercury	\$11.00 per unit per month
400 Watt Mercury	\$11.00 per unit per month
100 Watt High Pressure Sodium	\$11.00 per unit per month
150 Watt High Pressure Sodium	\$11.00 per unit per month
250 Watt High Pressure Sodium	\$11.00 per unit per month

Minimum Charge:

Fixture charge + \$25.00 per month.

Terms and Conditions:

1. Determination of Energy:

Standard service on and after May 15, 1976 will be unmetered dusk-to-dawn service. For the unmetered installations, the demand shall be the connected load of the lamp and appurtenances in kilowatts to the nearest 1/10. The kilowatthours shall be the connected load times 340. The demand of metered installations may be by demand or by test.

2. Standard Equipment Furnished:

Bracket or mast arm construction will be furnished and attached to existing wooden poles and secondary voltage.

MAUI ELECTRIC COMPANY, LIMITED

Docket No. 2006-0387, D&O No. \_\_\_\_\_.

Superseding Revised Sheet No. 78  
Effective August 18, 1994

REVISED SHEET NO. 78  
Effective

LANAI DIVISION

SCHEDULE "F" (Continued)

3. Other Than Standard Equipment:

Where the customer requests the installation of other than the standard equipment be furnished by the Company, including underground facilities and such requested equipment is acceptable to the Company, the Company will install the requested equipment provided the customer agrees to make a contribution of the estimated difference in cost installed between such equipment and standard equipment.

Contribution made for this purpose will not be refunded. Where the customer requests fixtures to be installed on electroliers or other ornamental standards that are acceptable to the Company, in lieu of making the contribution, the customer may elect to pay added facilities charge of 1-3/4% per month of the added investment required for such facilities. Facilities installed in connection with such agreements become and remain the sole property of the utility.

4. Replacement Cost:

Where the customer requests an existing street lighting fixture or electrolier be replaced with another type, the customer shall make a contribution of the estimated cost of the new equipment installed plus the cost of the removal of the existing equipment.

Energy Cost Adjustment Clause:

The energy cost adjustment provided in the Energy Cost Adjustment Clause shall be added to the Customer, Demand and Energy Charges.

Integrated Resource Planning Cost Recovery Clause:

The Integrated Resource Planning Adjustment provided in the Integrated Resource Cost Recovery Clause shall be added to the Customer, Demand, and Energy Charges, and energy cost adjustment.

Rules and Regulations:

Service supplied under this rate shall be subject to the Rules and Regulations of the Company.

MAUI ELECTRIC COMPANY, LIMITED

Docket No. 2006-0387, D&O No. \_\_\_\_\_.

Superseding Revised Sheet No. 80  
Effective June 1, 1996

REVISED SHEET NO. 80  
Effective

LANAI DIVISION

SCHEDULE "E"

Electric Service for Employees

Availability:

Applicable to all regular full-time Company employees, Company retirees, members of the Company Board of Directors, and retirees of Hawaiian Electric Company, Inc. and Hawaii Electric Light Company, Inc. who retired on or after January 1, 1996 and who are served by Maui Electric Company, Ltd. This schedule is applicable to the above customers' residential electric service in a single family dwelling unit metered and billed separately by the Company, subject to the Special Terms and Conditions specified below. This schedule does not apply where a residence and business are combined.

Rate:

The rates applicable to service under this schedule shall be two-thirds (2/3) of the current effective Schedule R rates - Residential Service, for usage up to 825 kwh per month. Energy usage above 825 kwh shall be billed the full Schedule R energy rates.

Special Terms and Conditions:

1. "Regular full-time Company employee" is defined as an employee who has successfully completed any required probationary requirements, is hired for an indefinite period, and who works no less than 40 hours per week.
2. This schedule is applicable only to primary residences.
3. Availability of this schedule terminates six months after death of eligible employee, retiree, or member of the Board of Directors.

Rules and Regulations:

Service supplied under this schedule shall be subject to the Rules and Regulations of the Company.

MAUI ELECTRIC COMPANY, LIMITED

Docket No. 2006-0387, D&O No. \_\_\_\_\_.



Superseding Revised Sheet No. 81  
Effective April 15, 1999

REVISED SHEET NO. 81  
Effective

LANAI DIVISION

SCHEDULE U

TIME-OF-USE SERVICE

AVAILABILITY:

Applicable to general light and/or power loads which exceed 25 kilowatts per month and supplied and metered at a single voltage and delivery point. This Schedule cannot be used in conjunction with load management Riders "M", "T", "I", Schedule "TOU-J, and Schedule "TOU-P". This rate is closed to new customers after \_\_\_\_\_, 2007.

TIME-OF-DAY RATING PERIODS:

The time-of-day rating periods shall be as follows:

On-Peak Period: 7:00 a.m. - 9:00 p.m., daily  
Off-Peak Period: 9:00 p.m. - 7:00 a.m., daily

RATE:

CUSTOMER CHARGE - per month \$100.00

DEMAND CHARGE - (To be added to Customer Charge)

All On-Peak kw of billing demand - per kw \$25.00

ENERGY CHARGE - (To be added to Customer and Demand Charges)

All On-Peak Kwhr per month - per Kwhr 34.9321 cents  
All Off-Peak Kwhr per month - per Kwhr 28.9215 cents

Minimum Charge:

The monthly minimum charge shall be the sum of the Customer and the Demand Charges. The Demand Charge shall be computed with the above demand charges applied to kilowatts of demand. The kilowatts of billing demand for the minimum charge of calculation for each month shall be the highest of the maximum on-peak demand for such month, but not less than 25 kW.

Superseding Revised Sheet No. 81A  
Effective May 5, 1997

REVISED SHEET NO. 81A  
Effective

LANAI DIVISION

Schedule "U" (Continued)

DETERMINATION OF TIME-OF-USE ENERGY AND DEMAND:

The Company shall install a time-of-use meter to measure the customer's energy consumption and peak load during the time-of-day rating periods. The maximum demand for the rating periods for each month shall be the maximum average load in kilowatts during any fifteen-minute period as indicated by a time-of-use meter. The on-peak kilowatts of billing demand for each month shall be the maximum on-peak demand for such month, but not less than 25 kilowatts.

Power Factor:

For customers with demands in excess of 200 kilowatts, the following power factor adjustment shall apply to the energy and demand charges.

The above energy and demand charges are based upon an average monthly power factor of 85%. For each 1% the average power factor is above or below 85%, the monthly energy and demand charges as computed under the above rates shall be decreased or increased, respectively, by 0.10%.

The average monthly power factor will be determined from the readings of a Kwh meter and KVarh meter, and will be computed to the nearest whole percent and not exceeding 100% for the purpose of computing the adjustment. The KVarh meter shall be ratcheted to prevent reversal in the event the power factor is leading at any time.

Special Terms and Conditions:

Supply Voltage Delivery:

If the customer takes delivery at the Company's supply line voltage, the demand and energy charges will be decreased as follows:

Transmission voltage supplied without further transformation	4.4%
Distribution voltage supplied without further transformation	1.1%

Metering will normally be at the delivery voltage. When the customer's transformers are adjacent to the delivery point, the customer may elect to be metered at a single point on the secondary side of his transformers where such point is approved by the Company. When the energy is metered on the secondary side of the customer's transformers, the above decreases will be 3.8% and 0.5%, respectively.

MAUI ELECTRIC COMPANY, LIMITED

Docket No. 2006-0387, D&O No. \_\_\_\_\_.

Superseding Sheet No. 81B  
Effective August 18, 1994

REVISED SHEET NO. 81B  
Effective

LANAI DIVISION

Schedule "U" (Continued)

Energy Cost Adjustment Clause:

The energy cost adjustment provided in the Energy Cost Adjustment Clause shall be added to the Customer, Demand, and Energy Charges.

Integrated Resource Planning Cost Recovery Clause:

The Integrated Resource Planning Adjustment provided in the Integrated Cost Recovery Clause shall be added to the Customer, Demand, and Energy Charges, and energy cost adjustment.

Term of Contract:

Not less than five years.

Rules and Regulation:

Service supplied under this rate shall be subject to the Rules and Regulations of the Company.

Superseding Revised Sheet No. 82  
Effective August 18, 1994

REVISED SHEET NO. 82  
Effective

LANAI DIVISION

RIDER "I"

Interruptible Contract Service

Availability:

This Rider is applicable to service supplied and metered at a single voltage and delivery point where 500 kw or greater is subject to disconnection by the utility under the terms and conditions as set forth in the contract agreement.

Rates:

Reduction in demand charge as set forth in a contract between the customer and the utility and approved by the Public Utilities Commission.

Term of Contract

Not less than five years.

Superseding Revised Sheet No. 83  
Effective April 15, 1999

REVISED SHEET NO. 83  
Effective

LANAI DIVISION

RIDER "M"

Off-Peak and Curtailable Service

Availability:

This Rider is available to customers served under rate Schedule "J" or "P" whose maximum measured demands prior to any load modifications effected under this rider, exceed 100 and 300 kilowatts, respectively. This rider cannot be used in conjunction with Rider T, Rider I, Schedules "U", "TOU-J" or "TOU-P".

Rates:

A. Basic Rates

The rates for service under this Rider shall be as specified under the regular Schedule "J" or "P", whichever is applicable except that the Minimum Charge and the determination of billing demand used in the calculation of demand and energy charges shall be as defined below, subject to the requirements of the Determination of Demand provision of the applicable rate schedule.

The customer shall select Option A - Off-Peak Service, or Option B - Curtailable Service:

OPTION A - OFF-PEAK SERVICE:

- 1) Any demand occurring during the off-peak period shall not be considered in determining the billing kW demand for each month, but shall be used in determining the excess off-peak charge. Only the maximum kW demand occurring during the on-peak period shall be used in the determination of the billing kW demand for the calculation of the demand charge, energy charge and minimum charge as specified in the regular Schedule J or P.
- 2) An Excess Off-Peak Charge of \$1.00 per kilowatt shall be added to the regular rate schedule charges for each kilowatt that the maximum off-peak demand exceeds the maximum demand during the on-peak period.
- 3) For calculation of the excess off-peak charge for each month, the maximum off-peak demand and maximum demand during the on-peak period shall be the highest measured demands during the respective periods for such month.

MAUI ELECTRIC COMPANY, LIMITED

Superseding Revised Sheet No. 83A  
Effective April 15, 1999

REVISED SHEET NO. 83A  
Effective

LANAI DIVISION

Rider "M" (continued)

- 4) The time-of-use rating periods shall be defined as follows:

On-Peak Period	7 a.m. - 9 p.m.	Fourteen hours Daily
Off-Peak Period	9 p.m. - 7 a.m.	Ten continuous hours Daily
- 5) The monthly minimum charge shall be the sum of the customer charge and demand charge in the applicable rate schedule, and the Excess Off-Peak Charge and Time-of-Day Metering Charge specified below.

OPTION B: CURTAILABLE SERVICE:

- 1) A customer who chooses curtailable service shall curtail its kW load during the Company's curtailment hours, and shall specify the curtailable kW load. This curtailable load must be load that is normally operated during the Company's curtailment hours and must be at least 50 kW 150 kW of load under Schedules "J" and "P", respectively. The Company may install a meter to measure the customer's curtailable load prior to the start of curtailable service under this Rider.
- 2) For billing purposes, the curtailed kW shall be determined monthly as the difference between the maximum kW demand outside of the curtailment hours and the maximum kW demand during the curtailment hours measured for each month, but not to exceed the curtailable kW load specified in the customer's Rider M contract.
- 3) The customer shall choose one of the curtailment periods specified below. The billing demand under this curtailable service option shall be the normal billing demand under Schedule "J" or "P" reduced by:  

Option 1) 75% of the curtailed demand if the curtailment hours are the Company's priority peak period defined from 5:00 p.m. to 9:00 p.m., Monday through Friday; or

Superseding Revised Sheet No. 83B  
Effective April 15, 1999

REVISED SHEET NO. 83B  
Effective

LANAI DIVISION

Rider "M" (continued)

Option 2) 40% of the curtailed kilowatt demand if the curtailment hours are two (2) consecutive hours as specified by the Company.

- 4) The monthly minimum charge shall be the sum of the customer charge and demand charge in the applicable rate schedule, and the Time-of-Day Metering Charge specified below.

Where the Company specifies the curtailment hours, the Company shall give the customer at least 30 days notice prior to changing the curtailment hours.

B. TIME-OF-DAY METERING CHARGE:

The Company shall install a time-of-use meter to measure the customer's maximum kW load during the time-of-day rating periods and curtailment hours.

An additional time-of-day metering charge of \$10 per month shall be assessed to cover the additional cost of installing, operating, and maintaining a time-of-use meter.

C. TERMS OF CONTRACT:

1. The initial term of contract shall be at least 3 years. Thereafter, the contract will be automatically renewed in 3-year increments until terminated by either party by a 30-day written notice.
2. A customer applying for service under this Rider shall sign a standard Rider M contract form with the Company.
3. The customer shall be allowed to take service under this Rider for a six-month trial period without penalty for termination within this period.
4. If the contract is terminated after the six months trial period, but prior to the end of the initial contract term, the customer shall be assessed a termination charge equal to the last six months discount received under this Rider.

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Superseding Sheet No. 83C  
Effective April 15, 1999

REVISED SHEET NO. 83C  
Effective

LANAI DIVISION

Rider "M" (continued)

5. The customer may request a change of Rider options (Option A - Off-Peak Service or Option B - Curtailable Service) or curtailment hours by providing a 30-day written notice to the Company. The change will become effective after the next regular meter reading following the receipt of such written notice by the Company, provided however, the Company may not be required to make such change until 12 months of service has been rendered after the last change, unless a new or revised Rider has been authorized, or unless a customer's operating conditions have altered so as to warrant such change.
6. If under the curtailable service option the customer fails to curtail his demand during the curtailment hours three times within a twelve-month period, the Company may terminate the Rider M contract by a 30-day written notice to the customer. If the Rider M contract is terminated due to the customer's failure to curtail load, the customer may be assessed a termination charge equal to the last six-months discount received under this Rider.
7. Service supplied under this Rider shall be subject to the Rules and Regulations of the Company.

MAUI ELECTRIC COMPANY, LIMITED

Docket No. 2006-0387, D&O No. \_\_\_\_\_.



Superseding Revised Sheet No. 87  
Effective May 5, 1997

REVISED SHEET NO. 87  
Effective

LANAI DIVISION

RIDER T  
TIME-OF-DAY RIDER

AVAILABILITY:

This rider is available to customers in rate Schedule "J", "K" or "P" but cannot be used in conjunction with the load management Rider M, Schedules "U", "TOU-J" or "TOU-P".

TIME-OF-DAY RATING PERIODS:

The time-of-day rating periods under this Rider shall be as follows:

On-Peak Period: 7:00 a.m. - 9:00 p.m., Daily  
Off-Peak Period: 9:00 p.m. - 7:00 a.m., Daily

RATE:

The rate(s) for service under this Rider including the Customer Charge, Energy Charge, and Demand Charge shall be as specified in the regular rate schedule, except that the following charges shall be added:

TIME-OF-DAY METERING CHARGE - per month \$10.00

TIME-OF-DAY ENERGY CHARGE ADJUSTMENTS:

On-Peak Energy Surcharge - all on-peak kWh + 2.0 cents/kwh  
Off-Peak Energy Credit - all off-peak kWh - 3.0 cents/kwh

MINIMUM CHARGE:

The Minimum Charge shall be as specified under the regular rate schedule except that it shall include the Time-of-Day Metering Charge. In addition, the average energy charge computed from the regular energy charge and the above Time-of-Day energy charge adjustments including the energy cost adjustment, cannot be lower than the off-peak avoided energy cost at the metering point.

DETERMINATION OF DEMAND:

The Determination of Demand shall be as specified in the regular rate schedule, except that only the on-peak Kw demand shall be used in the determination of the kilowatts of billing demand for the Demand Charge, the regular Energy Charge and the Minimum Charge calculations.

MAUI ELECTRIC COMPANY, LIMITED

Superseding Revised Sheet No. 87A  
Effective August 18, 1994

REVISED SHEET NO. 87A  
Effective

LANAI DIVISION

Rider T (Continued)

VOLTAGE SERVICE AND POWER FACTOR ADJUSTMENTS:

The voltage service and power factor adjustments shall be as specified in the regular rate schedule.

MEASUREMENT OF TIME-OF-DAY ENERGY AND DEMAND:

The Company shall install a time-differentiating meter to measure the customer's energy consumption and peak kw demand during the time-of-use rating periods.

TERMS OF AGREEMENT:

The customer applying for service under this Rider shall sign a standard Rider T agreement form with the Company. Service under this Rider shall not be less than five years. The customer may terminate service under this Rider during the first six months without penalty. If the customer terminates service after the first six months but before the end of the first five-year period which begins from the start date of the customer's service under this Rider, the customer shall be charged a termination fee equal to the amount of the last six months of discount received under this Rider.

A customer may perform emergency maintenance on his equipment or load served under this rider during the on-peak period and the customer's maximum demand during that time will not be considered in the determination of the billing kw demand under the following conditions:

- a. The conditions under which the customer may perform emergency maintenance on his equipment or load during on-peak period will be defined in the customer's contract.
- b. The customer may perform such emergency maintenance during on-peak period only when approved by MECO, and will operate only for the duration approved by MECO. Such MECO approval shall be by phone, or by e-mail, or in writing to the customer.

SHEET NO. 87B  
Effective

LANAI DIVISION

Rider T (Continued)

- c. The customer must notify MECO as far in advance as possible, but not less than 1 hour before performing such emergency maintenance on his equipment or load during the on-peak period. Such notice shall be by phone, by e-mail, or in writing. MECO may approve the customer's request on the basis of available capacity. Service to the customer under this condition may be interrupted at any time when MECO's system conditions dictate the necessity to interrupt service, or when in MECO's sole judgment the system may be impaired or the startup of another unit would be uneconomic.
- d. The customer's request to operate its load during the on-peak period under this condition cannot exceed four (4) times within a 12-month period.

Superseding Revised Sheet No. 88  
Effective April 15, 1999

REVISED SHEET NO. 88  
Effective

LANAI DIVISION  
ENERGY COST ADJUSTMENT CLAUSE

Applicable To

Schedule "R"	- Residential Service
Schedule "E"	- Electric Service for Employees
Schedule "G"	- General Service Non-Demand
Schedule "J"	- General Service - Demand
Schedule "H"	- Commercial Cooking, Heating, Air Conditioning and Refrigeration Service
Schedule "P"	- Large Power Service
Schedule "F"	- Public Street Lighting
Schedule "U"	- Time-of-Use Service
Schedule "TOU-R"	- Residential Time-of-Use Service
Schedule "TOU-G"	- Small Commercial Time-of-Use Service
Schedule "TOU-J"	- Medium Commercial Time-of-Use Service
Schedule "TOU-P"	- Large Power Time-of-Use Service

All terms and provisions of Schedules "R", "E", "G", "J", "H", "P", "F", "U", "TOU-R", "TOU-G", "TOU-J" and "TOU-P" are applicable, except that the Energy Cost Adjustment Clause described below will be added to the customer bills.

All base rate schedule discounts, surcharges, and all other adjustments will not apply to the energy cost adjustment.

Energy Cost Adjustment Clause:

This Energy Cost Adjustment Clause shall include the following:

FUEL AND PURCHASED ENERGY - The above rates are based on a company-owned central station and other generation cost (exclusive of company-owned distributed generation (DG)) of 1,960.44 cents per million BTU for fuel delivered in its service tanks, a purchased energy composite cost of 19.673cents per kilowatthour, and a company-owned DG energy composite cost of 19.673 cents per kilowatthour for fuel delivered to the fuel tank at the site used for company-owned DG. Company-generated energy from non-fuel sources shall be considered as zero fuel cost in the determination of the composite fuel cost.

When the Company-generated Composite Cost of Generation is more or less than 1,960.44 cents per million BTU, and/or the Purchased Energy Cost is more or less than 19.673 cents per kilowatthour, and/or the company-owned DG Energy Composite Cost is more or less than 19.673 cents per kilowatthour, a corresponding adjustment (Energy Cost Adjustment Factor) to the energy charges shall be made.

MAUI ELECTRIC COMPANY, LIMITED

Docket No. 2006-0387, D&O No. \_\_\_\_\_.

Superseding Revised Sheet No. 88A  
Effective April 15, 1999

REVISED SHEET NO. 88A  
Effective

LANAI DIVISION

Energy Cost Adjustment Clause (Continued)

This adjustment shall be comprised of a Company Composite Central Station With Other Generation Component, a Purchased Energy Component, and a DG Energy Generation Component.

The Company Composite Central Station With Other Generation Component shall be the difference between the current Weighted Composite Central Station + Other Generation Cost and the Weighted Base Central Station + Other Generation Cost, adjusted for additional revenue taxes. The current Weighted Composite Central Station + Other Generation Cost shall be determined by the current Composite Cost of Generation in cents per million BTU weighted by the proportion of current company-owned central station + Other generation to total system net energy, multiplied by the 2007 test-year efficiency factors of 0.010577 million BTU per kilowatthour for industrial fuel, 0.010577 million BTU per kilowatthour for diesel fuel, and 0.010577 million BTU per kilowatthour for other company generation sources, weighted by the current proportion of generation produced by each generation source to the total company-owned generation.

The Weighted Base Central Station + Other Generation Cost is the Base Central Station + Other Generation Cost of 1,9640.44 cents per million BTU weighted by the 2007 Test Year proportion of company-owned central station + Other generation to total system net energy, multiplied by the 2007 Test Year efficiency factor of 0.010577 million BTU per kilowatthour.

The Purchased Energy Component shall be the difference between (1) the current Composite Cost of Purchased Energy weighted by the proportion of current purchased energy to the total system net energy, and (2) the Base Purchased Energy Composite Cost of 19.673 cents per kilowatthour weighted by the 2007 Test Year proportion of the purchased energy to total system net energy, adjusted to the sales delivery level and for additional revenue taxes.

The Distributed Generation Energy Component shall be the difference between (1) the current Composite Cost of DG Energy weighted by the proportion of current DG energy to total system net energy, and (2) the Base DG Energy Composite Cost of 19.673 cents per kilowatthour weighted by the proportion of the 2007 Test Year DG energy to total system net energy, adjusted to the sales delivery level and for additional revenue taxes.

The Energy Cost Adjustment Factor shall be the sum of the Central Station With Other Generation Component, the Purchased Energy Component and the DG Energy Generation Component.

MAUI ELECTRIC COMPANY, LIMITED

SHEET NO. 88B  
Effective

LANAI DIVISION

Energy Cost Adjustment Clause (Continued)

The revenue tax requirement shall be calculated using current rates of the Franchise Tax, Public Service Company Tax, and Public Utility Commission Fee.

The Adjustment shall be effective on the date of cost change. When a cost change occurs during a customer's billing period, the Adjustment will be prorated for the number of days each cost was in effect.

This Energy Cost Adjustment Clause is consistent with the terms of the Company's operations, purchased energy contracts, and DG contracts, and may be revised to reflect any revisions or changes in operations, purchased energy contracts, and is subject to approval by the Commission.

Reconciliation Adjustment:

In order to reconcile any differences that may occur between recorded and forecasted Energy Cost Adjustment Clause revenues, the year-to-date recorded revenue from the Energy Cost Adjustment Clause will be compared with the year-to-date revenue expected from the Energy Cost Adjustment Clause on a quarterly basis. If there is a variance between the recorded Energy Cost Adjustment Clause revenue and the expected Energy Cost Adjustment Clause revenue, an adjustment, lagged by two months, shall be made to the Energy Cost Adjustment Clause to reconcile the revenue variance over the sales estimated for the subsequent quarter.

MAUI ELECTRIC COMPANY, LIMITED

Docket No. 2006-0387, D&O No. \_\_\_\_\_.

Superseding Revised Sheet No. 89  
Effective June 1, 2006

REVISED SHEET NO. 89  
Effective

LANAI DIVISION

INTEGRATED RESOURCE PLANNING  
COST RECOVERY PROVISION

Supplement To

Schedule "R"	- Residential Service
Schedule "E"	- Electric Service for Employees
Schedule "G"	- General Service Non-Demand
Schedule "J"	- General Service Demand
Schedule "H"	- Commercial Cooking, Heating, Air Conditioning and Refrigeration Service
Schedule "P"	- Large Power Service
Schedule "F"	- Public Street Lighting
Schedule "U"	- Time-of-Use Service
Schedule "TOU-R"	- Residential Time-of-Use Service
Schedule "TOU-G"	- Small Commercial Time-of-Use Service
Schedule "TOU-J"	- Commercial Time-of-Use Service
Schedule "TOU-P"	- Large Power Time-of-Use Service

All terms and provisions of Schedules "R", "E", "G", "J", "H", "P", "F", "U", "TOU-R", "TOU-G", "TOU-J" and "TOU-P" are applicable, except that the total base rate charges for each billing period shall be increased by the following Integrated Resource Planning (IRP) Cost Recovery Adjustment, Residential Demand-Side Management (DSM) Adjustment, and Commercial and Industrial Demand-Side Management (DSM) Adjustment:

A: INTEGRATED RESOURCE PLANNING COST RECOVERY ADJUSTMENT:

All Rate Schedules..... 0.000 percent

The total base rate charges for all rate schedules shall be decreased by the above Integrated Resource Planning Cost Recovery Adjustment, which is based on the reconciliation of the recovery of the \_\_\_\_\_ IRP Planning Costs, including interest and taxes, as approved by the Public Utilities Commission.

The total base rate charges for the current billing period shall include all base rate schedule charges, discounts, surcharges, or base rate adjustments, excluding the Energy Cost Adjustment, Firm Capacity Surcharge, Firm Capacity Surcharge Adjustment, Residential DSM Adjustment, and Commercial and Industrial DSM Adjustment.

MAUI ELECTRIC COMPANY, LIMITED

Superseding Revised Sheet No. 90  
Effective June 1, 2006

REVISED SHEET NO. 90  
Effective

LANAI DIVISION

INTEGRATED RESOURCE PLANNING COST RECOVERY PROVISION - Continued

B: Residential Demand-Side Management (DSM) Adjustment

Schedule R and TOU-R - per kWhr.....        ¢/kWh

The total residential monthly bill shall include the above Residential DSM adjustment applied to all kWh per month. The above Residential DSM adjustment is based on recovering \$\_\_\_\_\_ for the 2007 residential program costs and revenue taxes and the reconciliation of the 2006 program cost recovery for which recovery has been approved by the Public Utilities Commission.

C: Commercial and Industrial Demand-Side Management (DSM) Adjustment:

Schedules G, J, H, P, U, TOU-G, TOU-J, TOU-P- per kWhr        ¢/kWh

The total monthly bill for Schedules G, J, H, P, U, TOU-G, TOU-J, and TOU-P customers shall include the above Commercial and Industrial DSM adjustment applied to all kWh per month. The above adjustment is based on recovering \$\_\_\_\_\_ for the 2007 C&I program costs and revenue taxes and the reconciliation of the 2006 program cost recovery for which recovery has been approved by the Public Utilities Commission.

RECONCILIATION ADJUSTMENT: (To be added to Integrated Resource Planning Cost Recovery Adjustment, Residential DSM Adjustment, Commercial and Industrial DSM Adjustment):

In order to reconcile any differences that may occur between the above costs to be recovered and the revenues received from the above adjustments, recorded revenues will be compared with the above costs. The Integrated Resource Planning Cost Recovery, Residential DSM Adjustment, and the Commercial and Industrial DSM Adjustment will be reconciled annually. If there is a variance between the recorded revenues from the adjustments and the costs to be recovered, a reconciliation adjustment, lagged by two months, will be made to the above adjustments.



Superseding Revised Sheet No. 91  
Effective April 15, 1999

REVISED SHEET NO. 91  
Effective

LANAI DIVISION

SCHEDULE "Q"

Purchases From Qualifying Facilities - 100 KW or Less

Availability:

This schedule is available to customers with cogeneration and/or small power production facilities which qualify under the Commission's Rules, Chapter 74 of Title 6, Subchapter 2 with a design capacity of 100 kilowatts or less. Such qualifying facilities (QF's) shall be designed to operate properly in parallel with the Company's system without adversely affecting the operations of its customers and without presenting safety hazards to the Company's or other customer's personnel. The customer shall comply with the Company's requirements for customer generation interconnected with the utility system.

Energy delivered to the customer by the Company will be metered separately from the energy delivered by the customer to the Company.

Rate for Energy Delivered to the Company by Customer

The Company will pay for energy as follows:

All kwh per month - per kwh	21.81 cents
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Metering Charge:

There is a monthly charge to the customer for metering, billing and administration of the interconnection for purchase power as follows:

Single phase service - per month	\$5.00
Three phase service - per month	\$10.00

Energy Delivered to the Customer by the Company:

Energy delivered to the customer shall be billed on an applicable Company rate schedule.

System Compatibility:

The customer must deliver electric power at 60 hertz and the same phase and voltage as the customer receives service from the Company.

Superseding Revised Sheet No. 91A  
Effective April 15, 1999

REVISED SHEET NO. 91A  
Effective

LANAI DIVISION

Schedule "Q" (continued)

Interconnection Facilities:

The customer shall furnish, install, operate and maintain facilities such as relays, switches, synchronizing equipment, monitoring equipment and control and protective devices designated by the Company as suitable for parallel operation with the Company system. Such facilities shall be accessible at all times to authorized Company personnel. All designs should be approved by the Company prior to installation.

If additional Company facilities are required or the existing facilities must be modified to accept the QF's deliveries, the QF shall make a contribution for the cost of such additional facilities.

Contract:

The Company shall require a contract specifying technical and operating aspects of parallel generation.

Fuel Clause:

The above rate for energy delivered to the Company by the Customer is based on a composite cost of central station and DG fuel for Company generation of 1,960.44 cents per million Btu for fuel delivered in its service tanks. Effective the first day of January, April, July, and October an Adjustment shall be made to reflect the Company-generated fuel cost on file with the Commission and shall be effective for the following three months.

The Adjustment shall be the sum of the time-weighted on-peak adjustment (14 hours of 24 hours) and off-peak adjustment (10 hours of 24 hours). On-peak and off-peak adjustments shall be determined by the amount of the Company-generated fuel cost increase or decrease (in terms of cents per million Btu) from the base of 1,960.44 cents per million Btu multiplied by an on-peak heat rate of 11,002 Btu per net kilowatthour and an off-peak heat rate of 11,002 Btu per net kilowatthour.

This Fuel Clause is consistent with the terms of the Company's operations and may be revised to reflect any revisions or changes in operations, subject to approval by the Commission.

Superseding Revised Sheet No. 92  
Effective January 1, 1999

REVISED SHEET NO. 92  
Effective

LANAI DIVISION  
GREEN PRICING PROGRAM PROVISION

AVAILABILITY:

Available to all residents/non-residents of the Island of Lanai who wish to make voluntary contributions for the development of renewable energy resources on Lanai.

GREEN PRICING PROGRAM:

The objective of the Green Pricing Program is to encourage the development of Hawaii's renewable energy resources. The participant's voluntary contributions under the Green Pricing Program Provision are used to develop renewable energy facilities.

The Company's Sun Power for Schools Pilot Program is a pilot project under which photovoltaic systems are installed on selected public schools on the Island of Lanai. The participating school will own the photovoltaic facility and use the energy produced by the system at no cost. Contributions received from the participants in this Green Pricing Program Provision are used to help fund this pilot program.

Other renewable energy projects may be developed in the future as part of the Company's Green Pricing Program, depending on the availability of contributions received from this Green Pricing Program Provision.

VOLUNTARY PARTICIPATION:

1. Participation in the Green Pricing Program through the Green Pricing Program Provision, is voluntary and may be terminated by the participant at any time.
2. Any resident/non-resident of the Island of Lanai may contribute to the Green Pricing Program through the Green Pricing Program Provision by completing a standard program sign-up form which indicates the participant's mailing address, electric service account number ( if participant is currently a MECO customer), and the contribution payment option desired. The Green Pricing Program Provision contribution payment options are listed below.

MAUI ELECTRIC COMPANY, LIMITED

Docket No. 2006-0387, D&O No. \_\_\_\_\_.

Superseding Revised Sheet No. 92A  
Effective January 1, 1999

REVISED SHEET NO. 92A  
Effective

LANAI DIVISION

GREEN PRICING PROGRAM PROVISION (Continued)

3. A participant may terminate his/her voluntary contribution to the Green Pricing Program at any time by submitting a written or telephonic request to the Company to terminate participation in the Green Pricing Program Provision.

CONTRIBUTION PAYMENT OPTIONS:

A participant will specify the amount of his/her voluntary contribution (in whole dollars) and shall elect one of the following payment options:

Option 1: Monthly Contribution - the participant will be billed monthly based on the participant's specified dollar contribution amount.

Option 2: One Time Contribution - the participant will be billed one time for one lump sum contribution.

TERMS AND CONDITIONS:

1. Payments received by the Company shall be applied first to the participant's outstanding electric service bill balance, if any, and the remainder shall be applied to the participant's contribution to the Green Pricing Program under the Green Pricing Program Provision.
2. Electric Service will not be terminated if the participant fails to make contribution payments under the Green Pricing Program Provision.
3. The Company may terminate a participant's participation in the Green Pricing Program Provision, if the participant fails to make contribution payments for two (2) consecutive months.
4. The Company's late payment charge shall not apply to the participant's voluntary contributions under the Green Pricing Program Provision.

MAUI ELECTRIC COMPANY, LIMITED

Docket No. 2006-0387, D&O No. \_\_\_\_\_.

SHEET NO. 95  
Effective

LANAI DIVISION

SCHEDULE TOU-R

RESIDENTIAL TIME-OF-USE SERVICE

AVAILABILITY:

Applicable to residential service metered and billed separately by the Company. This Schedule does not apply where a residence and business are combined. Service under this Schedule will be delivered at secondary voltages as specified by the Company.

Service under this Schedule shall be limited to a total of 300 meters.

RATES:

CUSTOMER CHARGE - \$ per customer per month:

Single-Phase Service	- per month	\$7.50/month
Three-Phase Service	- per month	\$12.00/month

ENERGY CHARGES - ¢ per kWh:

Base Charges

First 250 kWh per month	- per kWhr	33.2505 ¢/kWhr
Next 500 kWh per month	- per kWhr	33.7571 ¢/kWhr
All kWh over 750 kWh per month	- per kWhr	34.5426 ¢/kWhr

Time-of-Use Charges

Priority Peak Period	- per kWhr	5.0 ¢/kWhr
Mid-Peak Period	- per kWhr	2.5 ¢/kWhr
Off-Peak Period	- per kWhr	- 5.0 ¢/kWhr

MAUI ELECTRIC COMPANY, LIMITED

Docket No. 2006-0387, D&O No. \_\_\_\_\_.

SHEET NO. 95A  
Effective

LANAI DIVISION  
SCHEDULE TOU-R (Continued)

MINIMUM CHARGE:

The minimum charge shall be \$17.00.

TIME-OF-USE RATING PERIODS:

The time-of-use rating periods under this Schedule shall be defined as follows:

Priority Peak:	5:00 p.m.-9:00 p.m., Monday-Friday
Mid-Peak:	7:00 a.m.-5:00 p.m., Monday-Friday 7:00 a.m.-9:00 p.m., Saturday-Sunday
Off-Peak:	9:00 p.m.-7:00 a.m., Daily

DETERMINATION OF TIME-OF-USE ENERGY:

The Company shall install, own, operate and maintain a time-of-use meter to measure the customer's kWh energy consumption during the time-of-use rating periods.

TERMS AND CONDITIONS:

- 1) The Company may meter the customer's energy usage pattern for one to two months before the customer's service start date under this Schedule, to allow the Company to gather the customer's baseline load profile.
- 2) The Company shall install the time-of-use meter in accordance with Rule 14. Although the existing service equipment is expected to be used, the customer shall provide, install, and maintain the service equipment specified in Rule 14, such as all the conductors, service switches, meter socket, meter panel, and other similar devices required for service connection and meter installations on the customer's premises.

MAUI ELECTRIC COMPANY, LIMITED

Docket No. 2006-0387, D&O No. \_\_\_\_\_.

SHEET NO. 95B  
Effective

LANAI DIVISION  
SCHEDULE TOU-R (Continued)

- 3) The Company may request a customer to allow the Company shared-use of its telephone line to enable the Company to remotely download the customer's usage data from the meter.
- 4) A customer may terminate service under this rate Schedule and return to the regular Schedule R at any time without penalty, by a written notice to the Company. The change shall become effective at the start of the next regular billing period following the date of receipt by the Company of the notice from the customer. If a customer elects to discontinue service under this Schedule, the customer will not be permitted to return to this Schedule for a period of one year.

ENERGY COST ADJUSTMENT CLAUSE:

The energy cost adjustment provided in the Energy Cost Adjustment Clause shall be added to the Customer and Energy Charges.

INTEGRATED RESOURCE PLANNING COST RECOVERY PROVISION:

The Integrated Resource Planning Surcharge shall be added to the Customer and Energy Charges, and energy cost adjustment.

RULES AND REGULATIONS:

Service supplied under this rate schedule shall be subject to the Rules and Regulations of the Company.

SHEET NO. 96  
Effective

LANAI DIVISION  
SCHEDULE TOU-G  
SMALL COMMERCIAL TIME-OF-USE SERVICE

AVAILABILITY:

Applicable to general light and/or power loads less than or equal to 5,000 kilowatthours per month, and less than or equal to 25 kilowatts, and supplied through a single meter. Customers served under this Schedule who exceed 5,000 kilowatthours per month or 25 kilowatts will be automatically transferred to Schedule TOU-J at the beginning of the next billing period.

Service will be delivered at secondary voltages as specified by the Company, except where the nature or location of the customer's load makes delivery at secondary voltage impractical, the Company may, at its option, deliver the service at a nominal primary voltage as specified by the Company.

Service under this Schedule shall be limited to a total of 100 meters.

RATE:

CUSTOMER CHARGE:

Single-Phase Service - per month	\$30.00/month
Three-Phase Service - per month	\$45.00/month

ENERGY CHARGE: (To be added to Customer and Demand Charge)

Priority Peak Period - per kWhr	40.4062 ¢/kWhr
Mid-Peak Period - per kWhr	37.9062 ¢/kWhr
Off-Peak Period - per kWhr	30.4062 ¢/kWhr

MINIMUM CHARGE: Customer Charge



SHEET NO. 96A  
Effective

LANAI DIVISION

SCHEDULE TOU-G - continued

TIME-OF-USE RATING PERIODS:

The time-of-use rating periods shall be as follows:

Priority Peak:	5:00 a.m. - 9:00 p.m., Monday - Friday
Mid-Peak:	7:00 a.m. - 5:00 p.m., Monday - Friday
	7:00 a.m. - 9:00 p.m., Saturday - Sunday
Off-Peak:	9:00 p.m. - 7:00 a.m., Daily

DETERMINATION OF TIME-OF-USE ENERGY:

The Company shall install, own, operate and maintain a time-of-use meter to measure the customer's kWh energy consumption during the time-of-use rating periods.

TERMS AND CONDITIONS:

- 1) The Company may meter the customer's energy usage pattern for one to two months before the customer's service start date under this Schedule, to allow the Company to gather the customer's baseline load profile.
- 2) The Company shall install the time-of-use meter in accordance with Rule 14. Although the existing service equipment is expected to be used, the customer shall provide, install, and maintain the service equipment specified in Rule 14, such as all the conductors, service switches, meter socket, meter panel, and other similar devices required for service connection and meter installations on the customer's premises.
- 3) The Company may request a customer to allow the Company shared-use of its telephone line to enable the Company to remotely download the customer's usage data from the meter.
- 4) A customer may terminate service under this rate Schedule and return to the regular Schedule G at any time without penalty, by a written notice to the Company. The change shall become effective at the start of the next regular billing period following the date of receipt by the Company of the notice from the customer. If a customer elects to discontinue service under this Schedule, the customer will not be permitted to return to this Schedule for a period of one year.

MAUI ELECTRIC COMPANY, LIMITED

SHEET NO. 96B  
Effective

LANAI DIVISION  
SCHEDULE TOU-G - continued

Energy Cost Adjustment Clause:

The energy cost adjustment provided in the Energy Cost Adjustment Clause shall be added to the Customer, Demand, and Energy charges.

Integrated Resource Planning Cost Recovery Provision:

The Integrated Resource Planning Surcharge shall be added to the Customer, Demand, and Energy charges, and energy cost adjustment.

Rules and Regulations:

Service supplied under this rate shall be subject to the Rules and Regulations of the Company.

SHEET NO. 97  
Effective

LANAI DIVISION  
SCHEDULE TOU-J  
COMMERCIAL TIME-OF-USE SERVICE

AVAILABILITY:

Applicable to general light and/or power loads which exceed 5,000 kilowatthours per month three times within a twelve-month period or which exceed 25 kW per month and but are less than 200 kW per month. This Schedule cannot be used in conjunction with load management Riders M, T, and I, Schedule "U", and Schedule "TOU-P".

RATE:

CUSTOMER CHARGE:

Single-Phase Service	- per month	\$55.00/month
Three-Phase Service	- per month	\$70.00/month

DEMAND CHARGE - (To be added to Customer and Energy Charge)

Priority Peak	- per kW of billing demand	\$13.50/kW
Mid-Peak	- per kW of billing demand	\$9.00/kW

The customer shall be billed the Priority Peak demand charge if his maximum measured kW demand for the billing period occurs during the priority peak period. If the customer's maximum measured kW demand for the billing period occurs during the Mid-Peak period, the Mid-Peak demand charge will apply. If the customer's maximum kW demand during the Priority Peak period is equal to his maximum kW demand during the Mid-Peak period, the Priority Peak demand charge shall apply.

ENERGY CHARGE: (To be added to Customer Charge)

Priority Peak Period	- per kWhr	40.4946 ¢/kWhr
Mid-Peak Period	- per kWhr	38.4946 ¢/kWhr
Off-Peak Period	- per kWhr	28.4946 ¢/kWhr

MAUI ELECTRIC COMPANY, LIMITED

SHEET NO. 97A  
Effective

LANAI DIVISION

SCHEDULE TOU-J - (continued)

MINIMUM CHARGE:

The minimum charge per month shall be the sum of the Customer Charge and the Demand Charge. The Demand Charge shall be computed with the above demand charge applied to kilowatts of demand. The kilowatts of demand for the minimum charge calculation each month shall not be less than 25 kW.

TIME-OF-USE RATING PERIODS:

The time-of-use rating periods shall be as follows:

Priority Peak:	5:00 a.m. - 9:00 p.m., Monday - Friday
Mid-Peak:	7:00 a.m. - 5:00 p.m., Monday - Friday
	7:00 a.m. - 9:00 p.m., Saturday - Sunday
Off-Peak:	9:00 p.m. - 7:00 a.m., Daily

DETERMINATION OF TIME-OF-USE ENERGY AND DEMAND:

The Company shall install a time-of-use meter to measure the customer's kilowatthour consumption and kilowatt load during the time-of-use rating periods. The maximum demand for the rating periods for each month shall be the maximum average load in kilowatts during any fifteen-minute period as indicated by a time-of-use meter. The kilowatts of billing demand for each month shall be the maximum measured demand outside of the Off-Peak hours, but not less than 25 kW.

Power Factor:

The above energy and demand charges are based upon an average monthly power factor of 85%. For each 1% the average power factor is above or below 85%, the monthly energy and demand charges as computed under the above rates shall be decreased or increased, respectively, by 0.15%.

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Effective

LANAI DIVISION

SCHEDULE TOU-J - (continued)

Power Factor - continued:

The average monthly power factor will be determined from the readings of a kwhr meter and kvarh meter, and will be computed to the nearest whole percent and not exceeding 100% for the purpose of computing the adjustment. The kvarh meter shall be ratcheted to prevent reversal in the event the power factor is leading at any time.

Supply Voltage Delivery:

If the customer takes delivery at the Company's supply line voltage, the demand and energy charges will be decreased as follows:

Transmission voltage supplied without further transformation	-4.4%
Distribution voltage supplied without further transformation	-1.1%

Metering will normally be at the delivery voltage. When the customer's transformers are adjacent to the delivery point, the customer may elect to be metered at a single point on the secondary side of his transformers where such point is approved by the Company. When the energy is metered on the secondary side of the customer's transformers, the above decreases will be 3.8% and 0.5%, respectively.

Energy Cost Adjustment Clause:

The energy cost adjustment provided in the Energy Cost Adjustment Clause shall be added to the Customer, Demand, and Energy charges.

Integrated Resource Planning Cost Recovery Provision:

The Integrated Resource Planning Surcharge shall be added to the Customer, Demand, and Energy charges, and energy cost adjustment.

Rules and Regulations:

Service supplied under this rate shall be subject to the Rules and Regulations of the Company.

MAUI ELECTRIC COMPANY, LIMITED

SHEET NO. 98  
Effective

LANAI DIVISION

SCHEDULE TOU-P

LARGE POWER TIME-OF-USE SERVICE

AVAILABILITY:

Applicable to large light and/or power service supplied and metered at a single voltage and delivery point. Loads must exceed 200 kW per month. This Schedule cannot be used in conjunction with load management Riders M, T, and I, and Schedule "TOU-P".

RATE:

CUSTOMER CHARGE: \$210.00 per month

DEMAND CHARGE - (To be added to Customer and Energy Charge)  
Priority Peak - per kW of billing demand \$42.00/kW  
Mid-Peak - per kW of billing demand \$22.00/kW

The customer shall be billed the Priority Peak demand charge if his maximum measured kW demand for the billing period occurs during the priority peak period. If the customer's maximum measured kW demand for the billing period occurs during the Mid-Peak period, the Mid-Peak demand charge will apply. If the customer's maximum kW demand during the Priority Peak period is equal to his maximum kW demand during the Mid-Peak period, the Priority Peak demand charge shall apply.

ENERGY CHARGE: (To be added to Customer Charge)  
Priority Peak Period - per kWhr 36.8390 ¢/kWhr  
Mid-Peak Period - per kWhr 34.8390 ¢/kWhr  
Off-Peak Period - per kWhr 24.8390 ¢/kWhr

SHEET NO. 98A  
Effective

LANAI DIVISION

SCHEDULE TOU-P - (continued)

MINIMUM CHARGE:

The minimum charge per month shall be the sum of the Customer Charge and the Demand Charge. The Demand Charge shall be computed with the above demand charge applied to kilowatts of demand. The kilowatts of demand for the minimum charge calculation each month shall not be less than 200 kW.

TIME-OF-USE RATING PERIODS:

The time-of-use rating periods shall be as follows:

Priority Peak:	5:00 a.m. - 9:00 p.m., Monday - Friday
Mid-Peak:	7:00 a.m. - 5:00 p.m., Monday - Friday
	7:00 a.m. - 9:00 p.m., Saturday - Sunday
Off-Peak:	9:00 p.m. - 7:00 a.m., Daily

DETERMINATION OF TIME-OF-USE ENERGY AND DEMAND:

The Company shall install a time-of-use meter to measure the customer's kilowatthour consumption and kilowatt load during the time-of-use rating periods. The maximum demand for the rating periods for each month shall be the maximum average load in kilowatts during any fifteen-minute period as indicated by a time-of-use meter. The kilowatts of billing demand for each month shall be the maximum measured demand outside of the Off-Peak hours, but not less than 200 kW.

Power Factor:

The above energy and demand charges are based upon an average monthly power factor of 85%. For each 1% the average power factor is above or below 85%, the monthly energy and demand charges as computed under the above rates shall be decreased or increased, respectively, by 0.10%.

SHEET NO. 98B  
Effective

LANAI DIVISION

SCHEDULE TOU-P - (continued)

Power Factor - continued:

The average monthly power factor will be determined from the readings of a kwhr meter and kvarh meter, and will be computed to the nearest whole percent and not exceeding 100% for the purpose of computing the adjustment. The kvarh meter shall be ratcheted to prevent reversal in the event the power factor is leading at any time.

Supply Voltage Delivery:

If the customer takes delivery at the Company's supply line voltage, the demand and energy charges will be decreased as follows:

Transmission voltage supplied without further transformation	-4.4%
Distribution voltage supplied without further transformation	-1.1%

Metering will normally be at the delivery voltage. When the customer's transformers are adjacent to the delivery point, the customer may elect to be metered at a single point on the secondary side of his transformers where such point is approved by the Company. When the energy is metered on the secondary side of the customer's transformers, the above decreases will be 3.8% and 0.5%, respectively.

Energy Cost Adjustment Clause:

The energy cost adjustment provided in the Energy Cost Adjustment Clause shall be added to the Customer, Demand, and Energy charges.

Integrated Resource Planning Cost Recovery Provision:

The Integrated Resource Planning Surcharge shall be added to the Customer, Demand, and Energy charges, and energy cost adjustment.

Rules and Regulations:

Service supplied under this rate shall be subject to the Rules and Regulations of the Company.

MAUI ELECTRIC COMPANY, LIMITED



Superseding Revised Sheet No. 100  
Effective July 4, 1999

REVISED SHEET NO. 100  
Effective

MOLOKAI DIVISION

RATE SCHEDULES

The following listed sheets contain all rates in effect on and after the date indicated thereon subject to the Rules and Regulations of the Company applicable thereto:

<u>Sheet</u>	<u>Schedule</u>	<u>Date Effective</u>	<u>Character of Service</u>
(PAGE 102.1 IS NOT ASSIGNED)			
103	"R"		Residential Service
104	"R"		Residential Service
105	"G"		General Service Non-Demand
106	"G"		General Service Non-Demand
107	"J"		General Service Demand
108	"J"		General Service Demand
109	"H"		Commercial Cooking, Heating, Air Conditioning & Refrigeration Service
110	"H"		Commercial Cooking, Heating, Air Conditioning & Refrigeration Service
111	"P"		Large Power Service
112	"P"		Large Power Service
113	"N"		Contract Off-Peak and Interruptible Service
114	"N"		Contract Off-Peak and Interruptible Service
115	"F"		Public Street Lighting
116	"F"		Public Street Lighting
117	"U"		Time-of-Use Service
118	"U"		Time-of-Use Service
119	"U"		Time-of-Use Service
120	"E"		Electric Service for Employees

MAUI ELECTRIC COMPANY, LIMITED

Superseding Revised Sheet No. 101  
Effective June 1, 2006

REVISED SHEET NO. 101  
Effective

MOLOKAI DIVISION

RATE SCHEDULES (continued)

<u>Sheet</u>	<u>Schedule</u>	<u>Date Effective</u>	<u>Character of Service</u>
121	Energy Cost Adjustment Clause		All Schedules Except Schedule Q
122	Energy Cost Adjustment Clause		All Schedules Except Schedule Q
122A	Energy Cost Adjustment Clause		All Schedules Except Schedule Q
123	Rider "I"		Interruptible Contract Service
124	Rider "M"		Off-Peak and Curtailable Service
125	Rider "M"		Off-Peak and Curtailable Service
126	Rider "M"		Off-Peak and Curtailable Service
126A	Rider "M"		Off-Peak and Curtailable Service
127	Rider "T"		Time-of-Day Service
128	Rider "T"		Time-of-Day Service
128A	Rider "T"		Time-of-Day Service
129	IRP Cost Recovery Provision		All Schedules Except Schedule Q
129A	IRP Cost Recovery Provision		All Schedules Except Schedule Q
130	"Q"		Purchases From Qualifying Facilities - 100KW or Less
131	"Q"		Purchases From Qualifying Facilities - 100KW or Less

MAUI ELECTRIC COMPANY, LIMITED

Superseding Revised Sheet No. 101A  
Effective April 15, 1999

REVISED SHEET NO. 101A  
Effective

MOLOKAI DIVISION

RATE SCHEDULES (Continued)

<u>Sheet</u>	<u>Schedule</u>	<u>Date Effective</u>	<u>Character of Service</u>
132	Green Pricing Program Provision		Green Pricing
132A	Green Pricing Program Provision		Green Pricing

(PAGES 133 - 134 NOT ASSIGNED)

135	"TOU-R"	Residential Time-of-Use
135A	"TOU-R"	Residential Time-of-Use
135B	"TOU-R"	Residential Time-of-Use
136	"TOU-G"	Small Commercial Time-of-Use
136A	"TOU-G"	Small Commercial Time-of-Use
136B	"TOU-G"	Small Commercial Time-of-Use
137	"TOU-J"	Commercial Time-of-Use
137A	"TOU-J"	Commercial Time-of-Use
137B	"TOU-J"	Commercial Time-of-Use
138	"TOU-P"	Large Power Time-of-Use
138A	"TOU-P"	Large Power Time-of-Use
138B	"TOU-P"	Large Power Time-of-Use

MAUI ELECTRIC COMPANY, LIMITED

Superseding Revised Sheet No. 103  
Effective July 4, 1999

REVISED SHEET NO. 103  
Effective

MOLOKAI DIVISION

SCHEDULE "R"

Residential Service

Availability:

Applicable to residential lighting, heating, cooking, air conditioning and power in a single family dwelling unit metered and billed separately by the Company only when the structure serves as the principal residence of a resident of Molokai. This schedule does not apply where a residence and business are combined.

Service will be delivered at secondary voltages as specified by the Company.

Rate:

CUSTOMER CHARGE:

Single phase service - per month	\$7.50
Three phase service - per month	\$12.00

NON-FUEL ENERGY CHARGE (To be added to Customer Charge)

First 250 kWhr per month - per kWhr	12.5944 ¢
Next 500 kWhr per month - per kWhr	13.7500 ¢
All kWhr over 750 kWhr per month- per kWhr	14.0055 ¢

BASE FUEL/ENERGY CHARGE (To be added to Customer Charge and Non-Fuel Energy Charge)

All kWhr per month - per kWhr	21.7788 cents
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Minimum Charge:

The minimum monthly charge shall be \$17.00

Apartment House Collection Arrangement:

Any apartment owner having three or more apartments at one location, each apartment being separately metered and billed on the above rate, may elect to accept a discount of ten (10%) of the amount of the bills rendered for each apartment, but not to exceed \$6.50 per month for each apartment, upon entering into the following collection agreement with the Company under the following terms and conditions:

- 1) All accounts shall be kept in the name of the apartment house owner who shall assume the responsibility for the prompt payment of all bills.

MAUI ELECTRIC COMPANY, LIMITED

Superseding Revised Sheet No. 104  
Effective August 18, 1994

REVISED SHEET NO.104  
Effective

MOLOKAI DIVISION

Schedule "R" (continued)

- 2) All accounts shall remain active at all times and, though vacant, shall be subject to the minimum charge. Individual apartments cannot be added or deleted from this agreement more often than once in twelve months.
- 3) The Company will render individual bills for each apartment on a regular billing period basis and will also furnish a statement showing gross and net billings.

Energy Cost Adjustment Clause:

The energy cost adjustment provided in the Energy Cost Adjustment Clause shall be added to the Customer, Demand, and Energy Charges.

Integrated Resource Planning Cost Recovery Clause:

The Integrated Resource Planning Adjustment provided in the Integrated Resource Cost Recovery Clause shall be added to the Customer, Demand, and Energy Charges, and energy cost adjustment.

Rules and Regulations:

Service supplied under this rate shall be subject to the Rules and Regulations of the Company.

MAUI ELECTRIC COMPANY, LIMITED

Superseding Revised Sheet No. 105  
Effective April 15, 1999

REVISED SHEET NO. 105  
Effective

MOLOKAI DIVISION

SCHEDULE "G"

General Service Non-Demand

Availability:

Applicable to general light and/or power loads less than or equal to 5000 kwh per month, and less than or equal to 25 kilowatts, and supplied through a single meter.

If a customer's usage exceeds 5000 kwh per month or in the opinion of the Company exceed 25 kw of demand three times in a twelve-month period, a demand meter will be installed and the customer's billing will be transferred to Schedule "J" beginning with the next convenient billing period.

Service will be delivered at secondary voltages as specified by the Company, except where the nature or location of the customer's load makes delivery at secondary voltage impractical, the Company may, at its option, deliver the service at a nominal primary voltage as specified by the Company. Service supplied at primary voltage shall be subject to the special terms and conditions set forth below.

Rate:

CUSTOMER CHARGE:

Single phase service - per month	\$23.00
Three phase service - per month	\$34.00

ENERGY CHARGE: (To be added to Customer Charge)

All kwhr per month - per kwhr	41.7728 cents
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Minimum Charge:

Single phase service - per month	\$28.00
Three phase service - per month	\$39.00

Primary Supply Voltage Service:

Where, at the option of the Company, service is delivered and metered at the primary supply line voltage, the above energy charges will be decreased by 1.1%. When customers' transformers are adjacent to the delivery point, the Company may permit the customer to be metered at a single point on the secondary side of his transformers where such point is approved by the Company. When the energy is metered on the secondary side of the customers' transformers, the above energy charge will be decreased by 0.5%

MAUI ELECTRIC COMPANY, LIMITED

Superseding Revised Sheet No. 106  
Effective August 18, 1994

REVISED SHEET NO. 106  
Effective

MOLOKAI DIVISION

Schedule "G" (continued)

Energy Cost Adjustment Clause:

The energy cost adjustment provided in the Energy Cost Adjustment Clause shall be added to the Customer, Demand, and Energy Charges.

Integrated Resource Planning Cost Recovery Clause:

The Integrated Resource Planning Adjustment provided in the Integrated Resource Cost Recovery Clause shall be added to the Customer, Demand, and Energy Charges, and energy cost adjustment.

Rules and Regulations:

Service supplied under this rate shall be subject to the Rules and Regulations of the Company.

MAUI ELECTRIC COMPANY, LIMITED

Superseding Revised Sheet No. 107  
Effective April 15, 1999

REVISED SHEET NO. 107  
Effective

MOLOKAI DIVISION  
SCHEDULE "J"  
General Service Demand

Availability:

Applicable to general light and/or power loads which exceed 5000 kilowatthours per month three times within a twelve-month period, or 25 kilowatts, and supplied through a single meter.

This schedule is closed to new customer with the kW demand equal or greater than 100 kW after \_\_\_\_\_, 2007. Existing customers with maximum measured kW demand equal to, or greater than 100 kW per month may continue to receive service under this Schedule, until the customer transfers to other applicable rate schedule.

Rate:

CUSTOMER CHARGE:

Single phase service - per month	\$32.00
Three phase service - per month	\$42.00

DEMAND CHARGE: (To be added to Customer Charge)

All kw of billing demand	\$11.00 per month per kw
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ENERGY CHARGE: (To be added to Customer and Demand Charges)

First 200 kwhr/month/kW of billing demand-per kwhr	34.7806 cents
Next 200 kwhr/month/kW of billing demand-per kwhr	28.9336 cents
Over 400 kwhr/month/kW of billing demand-per kwhr	27.1046 cents

Minimum Charge:

The minimum monthly charge shall be the sum of the Customer and the Demand Charges. The Demand Charge shall be computed with the above demand charge applied to kilowatts of demand, but not less than \$275.00 per month. The kilowatts of demand for the minimum charge calculation each month shall be the highest of the maximum demand for the month, the greatest maximum demand of the preceding eleven months or 25 kw.

Determination of Demand:

The maximum demand for each month shall be the maximum average load in kilowatts during any fifteen-minute period as indicated by a demand meter. The billing demand for each month shall be the maximum demand for such month or the mean of current monthly maximum demand and the greatest maximum demand for the preceding eleven months, whichever is higher, but not less than the minimum billing demand of 25 kilowatts.

MAUI ELECTRIC COMPANY, LIMITED



Superseding Revised Sheet No. 108  
Effective May 5, 1997

REVISED SHEET NO. 108  
Effective

MOLOKAI DIVISION

Schedule "J" (continued)

Power Factor:

For customers with maximum measured demands in excess of 100 kilowatts per month for any one time within a 12-month period, the following power factor adjustment will apply to the energy and demand charges.

For each 1% the average power factor is above or below 90%, the energy and demand charges as computed under the above rates shall be decreased or increased, respectively, by 0.15%. The power factor will be computed to the nearest whole percent.

In no case, however, shall the power factor be taken as more than 100% for the purpose of computing the adjustment.

The average monthly power factor will be determined from the readings of a Kwh meter and a Kvarh meter. The Kvarh meter shall be ratcheted to prevent reversal in the event the power factor is leading any time.

Primary Supply Voltage Service:

Where, at the option of the Company, service is delivered and metered at the primary supply line voltage, the above energy and demand charges will be decreased by 1.1%. When customers' transformers are adjacent to the delivery point, the Company may permit the customer to be metered at a single point on the secondary side of his transformers where such point is approved by the Company. When the energy is metered on the secondary side of the customer's transformers, the above energy and demand charges will be decreased by 0.5%

Energy Adjustment Clause:

The energy cost adjustment provided in the Energy Cost Adjustment Clause shall be added to the Customer, Demand, and Energy Charges.

Integrated Resource Planning Cost Recovery Clause:

The Integrated Resource Planning Adjustment provided in the Integrated Resource Cost Recovery Clause shall be added to the Customer, Demand, and Energy Charges, and energy cost adjustment.

Rules and Regulations:

Service supplied under this rate shall be subject to the Rules and Regulations of the Company.

MAUI ELECTRIC COMPANY, LIMITED

Superseding Revised Sheet No. 109  
Effective April 15, 1999

REVISED SHEET NO. 109  
Effective

MOLOKAI DIVISION

SCHEDULE "H"

Commercial Cooking, Heating,  
Air Conditioning and Refrigeration Service

Availability:

Applicable to commercial cooking, heating (including heat pump waterheaters), air conditioning and refrigeration service. This schedule applies only where the voltage supplied by the Company is less than 600 volts. This rate is closed to new customers after \_\_\_\_\_, 2007.

Rate:

CUSTOMER CHARGE:

Single phase service - per month	\$22.00
Three phase service - per month	\$28.00

DEMAND CHARGE: (To be added to Customer Charge)

\$10.00 per month per kw of required kw load, but in no case less than \$10.00 per month.

ENERGY CHARGE: (To be added to Customer and Demand Charges)

All kwhr per month - per kwhr	30.3625 cents
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Minimum Charge:

The minimum monthly charge shall be the sum of Customer and Demand Charges.

Determination of Required kw load:

The required kw load for billing purposes shall be:

A. The sum of:

- 1) The total connected motor load;
- 2) 50% of the connected heating load, exclusive of cooking and all-electric resistance and heat pump waterheating; and
- 3) the connected all-electric waterheating load in excess of one-sixth kilowatt per gallon of storage capacity; or

MAUI ELECTRIC COMPANY, LIMITED

Superseding Revised Sheet No. 110  
Effective August 18, 1994

REVISED SHEET NO. 110  
Effective

MOLOKAI DIVISION

SCHEDULE "H" (continued)

- B. When the load is 25 KW or more the capacity may be determined by measured demand. The maximum demand for each month shall be the maximum average load during any fifteen-minute period as indicated by a demand meter. The demand for each month shall be the maximum demand for such month, the highest demand in the preceding eleven months, or 25 KW, whichever is highest. Measured demand service under this schedule will be referred to as Schedule "K" service.

The required kw load will be determined to the nearest one-tenth kw.

Energy Adjustment Clause:

The energy cost adjustment provided in the Energy Cost Adjustment Clause shall be added to the Customer, Demand and Energy Charges.

Integrated Resource Planning Cost Recovery Clause:

The Integrated Resource Planning Adjustment provided in the Integrated Resource Cost Recovery Clause shall be added to the Customer, Demand, and Energy Charges, and energy cost adjustment.

Term of Contract:

Not less than one year.

Rules and Regulations:

Service supplied under this rate shall be subject to the Rules and Regulations of the Company.

MAUI ELECTRIC COMPANY, LIMITED

Superseding Revised Sheet No. 111  
Effective April 15, 1999

REVISED SHEET NO. 111  
Effective

MOLOKAI DIVISION

SCHEDULE "P"

Large Power Service

Availability:

Applicable to large light and/or power service loads supplied and metered at a single voltage and delivery point.

This Schedule is closed to new customers with the kW demand less than 100 kW after \_\_\_\_\_, 2007. Existing customers with maximum measured kW demand less than 100 kW per month may continue to receive service under this Schedule, until the customer transfers to other applicable rate schedule.

Rate:

CUSTOMER CHARGE - per month \$75.00

DEMAND CHARGE - (To be added to Customer Charge)

First 500 kw of billing demand	\$11.00 per month per kw
Over 500 kw of billing demand	\$10.00 per month per kw

ENERGY CHARGE: (To be added to Customer and Demand Charges)

First	200 kwhr/month/kW of billing demand - per kwhr	32.3273 cents
Next	200 kwhr/month/kW of billing demand - per kwhr	30.2273 cents
All Over	400 kwhr/month/kW of billing demand - per kwhr	23.0823 cents

Minimum Charge:

The minimum monthly charge shall be the sum of the Customer and the Demand Charges. The demand charge shall be computed with the above demand charges applied to kilowatts of demand. The kilowatts of demand for the minimum charge calculation each month shall be the highest of the maximum demand for the month, the greatest maximum demand of the preceding eleven months, or the minimum billing demand specified below.

Determination of Demand:

The maximum demand for each month shall be the maximum average load in kw during any fifteen-minute period as indicated by a demand meter. The billing demand for each month shall be the maximum demand for such month or the mean of current monthly maximum demand and the greatest maximum demand for the preceding eleven months, whichever is the higher, but not less than the minimum billing demand of 100 kw.

Power Factor:

The above demand and energy charges are based upon an average monthly power factor of 90%. For each 1% the average power factor is above or below 90%, the monthly bill as computed under the demand and energy charges shall be decreased or increased, respectively, by 0.15%. The power factor will be computer to the nearest whole percent.

MAUI ELECTRIC COMPANY, LIMITED

Superseding Revised Sheet 112  
Effective August 18, 1994

REVISED SHEET NO. 112  
Effective

MOLOKAI DIVISION

SCHEDULE "P" (continued)

In no case, however, shall the power factor be taken as more than 100% for the purpose of computing the adjustment.

The average monthly power factor will be determined from the readings of a Kwh meter and Kvarh meter. The Kvarh meter shall be ratcheted to prevent reversal in the event the power factor is leading at any time.

Special Terms and Conditions:

Supply Voltage Delivery:

If the customer takes delivery at the Company's supply line voltage, the demand and energy charges will be decreased as follows:

Transmission voltage supplied without further transformation	4.4%
Distribution voltage supplied without further transformation	1.1%

Metering will normally be at the delivery voltage. When customer's transformers are adjacent to the delivery point, the customer may elect to be metered at a single point on the secondary side of his transformers where such point is approved by the Company. When the energy is metered on the secondary side of the customer's transformers, the above decreases will be 3.8% and 0.5%, respectively.

Energy Cost Adjustment Clause:

The energy cost adjustment provided in the Energy Cost Adjustment Clause shall be added to the Customer, Demand, and Energy Charges.

Integrated Resource Planning Cost Recovery Clause:

The Integrated Resource Planning Adjustment provided in the Integrated Resource Cost Recovery Clause shall be added to the Customer, Demand and Energy Charges, and energy cost adjustment.

Term of Contract:

Not less than one year.

Rules and Regulations:

Service supplied under this rate shall be subject to the Rules and Regulations of the Company.

MAUI ELECTRIC COMPANY, LIMITED

Superseding Revised Sheet No. 113  
Effective April 15, 1999

REVISED SHEET NO. 113  
Effective

MOLOKAI DIVISION

SCHEDULE "N"

Contract Off-Peak And Interruptible Service

Availability:

Applicable to service only between the hours of 10:00 p.m. and 6:00 a.m. daily, supplied and metered at a single voltage and delivery point. Service under this schedule shall be subject to disconnection by the utility under the terms and conditions set forth in the contract agreement, or when required by the system generation capacity. This Schedule shall be closed to new accounts after \_\_\_\_\_, 2007.

Rate:

CUSTOMER CHARGE - per month \$75.00

DEMAND CHARGE: (To be added to Customer Charge)

All kw of billing demand \$3.50 per month per kw

ENERGY CHARGE: (To be added to Customer and Demand Charges)

All kwhr per month - per kwhr 23.0823¢ per kwhr

Minimum Charge:

The minimum monthly charge shall be the sum of the Customer and the Demand Charges. The Demand Charge shall be computed with the above demand charge applied to kilowatts of demand, but not less than \$350.00 per month. The kilowatts of demand for the minimum demand for such month shall be the highest of the maximum demand for such month, the greatest maximum demand of the preceding eleven months, or 100 kw.

Determination of Demand:

The maximum demand for each month shall be the maximum average load in kw during any fifteen-minute period as indicated by a demand meter. The billing demand for each month shall be the maximum demand for such month or the mean of the current monthly maximum demand and the greatest maximum demand for the preceding eleven months, whichever is the higher, but not less than 100 kw.

MAUI ELECTRIC COMPANY, LIMITED

Docket No. 2006-0387, D&O No. \_\_\_\_\_.

Superseding Sheet No. 114  
Effective August 18, 1994

REVISED SHEET NO. 114  
Effective

MOLOKAI DIVISION

SCHEDULE "N" (continued)

Power Factor:

The above demand and energy charges are based upon an average monthly power factor of 90%. For each 1% the average power factor is above or below 90%, the demand and energy charges as computed above shall be decreased or increased, respectively, by 0.15%. The power factor shall be computed to the nearest whole percent. In no case, however, shall the power factor be taken as more than 100% for the purpose of computing the adjustment.

The average monthly power factor will be determined from the readings of a Kwh meter and a Kvarh meter. The Kvarh meter shall be ratcheted to prevent reversal in the event the power factor is leading at any time.

Primary Supply Voltage Service:

Where, at the option of the Company, service is delivered and metered at the primary supply line voltage, the above demand and energy charges will be decreased by 1.1%. When customers' transformers are adjacent to the delivery point, the Company may permit the customer to be metered at a single point on the secondary side of his transformers where such point is approved by the Company. When the service is metered on the secondary side of the customers' transformers, the above demand and energy charges will be decreased by 0.5%.

Energy Cost Adjustment Clause:

The energy cost adjustment provided in the Energy Cost Adjustment Clause shall be added to the Customer, Demand, and Energy Charges.

Integrated Resource Planning Cost Recovery Clause:

The Integrated Resource Planning Adjustment provided in the Integrated Resource Cost Recovery Clause shall be added to the Customer, Demand and Energy Charges, and energy cost adjustment.

Rules and Regulations:

Service supplied under this schedule shall be subject to the Rules and Regulations of the Company.

MAUI ELECTRIC COMPANY, LIMITED

Superseding Revised Sheet No. 115  
Effective April 15, 1999

REVISED SHEET NO. 115  
Effective

MOLOKAI DIVISION

SCHEDULE "F"

Public Street Lighting

Availability:

Applicable to public street and highway lighting service supplied on the Island of Molokai where the Company owns, maintains and operates the street lighting facilities.

Rate:

ENERGY CHARGE:

First	150 kwhr/month/kw of billing demand - per kwhr	37.9215 cents
All Over	150 kwhr/month/kw of billing demand - per kwhr	33.5155 cents

FIXTURE CHARGE (To be added to the Energy Charge):

150	or 300 Watt Incandescent	\$ 6.00	per unit per month
250	Watt Mercury	\$11.00	per unit per month
400	Watt Mercury	\$11.00	per unit per month
100	Watt High Pressure Sodium	\$11.00	per unit per month
150	Watt High Pressure Sodium	\$11.00	per unit per month
250	Watt High Pressure Sodium	\$11.00	per unit per month

Minimum Charge:

Fixture charge + \$25.00 per month.

Terms and Conditions:

1. Determination of Energy:

Standard service will be unmetered dusk-to-dawn service. For the unmetered installations, the demand shall be the connected load of the lamp and appurtenances in kilowatts to the nearest 1/10. The kilowatthours shall be the connected load times 340. The demand of metered installations may be by demand or by test.

2. Standard Equipment Furnished:

Bracket or mast arm construction will be furnished and attached to existing wooden poles and secondary voltage.

MAUI ELECTRIC COMPANY, LIMITED



Superseding Revised Sheet No. 116  
Effective August 18, 1994

REVISED SHEET NO. 116  
Effective

MOLOKAI DIVISION

SCHEDULE "F" (Continued)

3. Other Than Standard Equipment:

Where the customer requests the installation of other than the standard equipment be furnished by the Company, including underground facilities and such requested equipment is acceptable to the Company, the Company will install the requested equipment provided the customer agrees to make a contribution of the estimated difference in cost installed between such equipment and standard equipment.

Contribution made for this purpose will not be refunded. Where the customer requests fixtures to be installed on electroliers or other ornamental standards that are acceptable to the Company, in lieu of making the contribution, the customer may elect to pay added facilities charge of 1-3/4% per month of the added investment required for such facilities. Facilities installed in connection with such agreements become and remain the sole property of the utility.

4. Replacement Cost:

Where the customer requests an existing street lighting fixture or electrolier be replaced with another type, the customer shall make a contribution of the estimated cost of the new equipment installed plus the cost of the removal of the existing equipment.

Energy Cost Adjustment Clause:

The energy cost adjustment provided in the Energy Cost Adjustment Clause shall be added to the Customer, Demand, and Energy Charges.

Integrated Resource Planning Cost Recovery Clause:

The Integrated Resource Planning Adjustment provided in the Integrated Resource Cost Recovery Clause shall be added to the Customer, Demand, and Energy Charges, and energy cost adjustment.

Rules and Regulations:

Service supplied under this rate shall be subject to the Rules and Regulations of the Company.

MAUI ELECTRIC COMPANY, LIMITED

Superseding Revised Sheet No. 117  
Effective April 15, 1999

REVISED SHEET NO. 117  
Effective

MOLOKAI DIVISION

SCHEDULE U

TIME-OF-USE SERVICE

AVAILABILITY:

Applicable to general light and/or power loads which exceed 25 kilowatts per month and supplied and metered at a single voltage and delivery point. This Schedule cannot be used in conjunction with load management Riders "M", "T", "I", Schedule "TOU-J" and Schedule "TOU-P". This rate is closed to new customers after \_\_\_\_\_. 2007.

TIME-OF-DAY RATING PERIODS:

The time-of-day rating periods shall be as follows:

On-Peak Period: 7:00 a.m. - 9:00 p.m., daily  
Off-Peak Period: 9:00 p.m. - 7:00 a.m., daily

RATE:

CUSTOMER CHARGE - per month \$100.00

DEMAND CHARGE - (To be added to Customer Charge)

All On-Peak Kw of billing demand - per Kw \$25.00

ENERGY CHARGE - (To be added to Customer and Demand Charges)

All On-Peak Kwhr per month - per Kwhr 34.7806 cents  
All Off-Peak Kwhr per month - per Kwhr 23.0823 cents

Minimum Charge:

The monthly minimum charge shall be the sum of the Customer and the Demand Charges. The Demand Charge shall be computed with the above demand charge applied to kilowatts of demand. The kilowatts of billing demand for the minimum charge calculation for each month shall be the highest of the maximum on-peak demand for such month, but not less than 25 kW.

MAUI ELECTRIC COMPANY, LIMITED

Docket No. 2006-0387, D&O No. \_\_\_\_\_.

Superseding Revised Sheet No. 118  
Effective May 5, 1997

REVISED SHEET NO. 118  
Effective

MOLOKAI DIVISION

Schedule "U" (Continued)

DETERMINATION OF TIME-OF-USE ENERGY AND DEMAND:

The Company shall install a time-of-use meter to measure the customer's energy consumption and peak load during the time-of-day rating periods. The maximum demand for the rating periods for each month shall be the maximum average load in kilowatts during any fifteen-minute period as indicated by a time-of-use meter. The on-peak kilowatts of billing demand for each month shall be the maximum on-peak demand for such month, but not less than 25 kilowatts.

Power Factor:

For customers with demands in excess of 100 kilowatts, the following power factor adjustment will apply to the energy and demand charges.

The above energy and demand charges are based upon an average monthly power factor of 90%. For each 1% the average power factor is above or below 90%, the monthly energy and demand charges as computed under the above rates shall be decreased or increased, respectively, by 0.15%.

The average monthly power factor will be determined from the readings of a Kwh meter and kVarh meter, and will be computed to the nearest whole percent and not exceeding 100% for the purpose of computing the adjustment. The kVarh meter shall be ratcheted to prevent reversal in the event the power factor is leading at any time.

Special Terms and Conditions:

Supply Voltage Delivery:

If the customer takes delivery at the Company's supply line voltage, the demand and energy charges will be decreased as follows:

Transmission voltage supplied without further transformation	4.4%
Distribution voltage supplied without further transformation	1.1%

Metering will normally be at the delivery voltage. When the customer's transformers are adjacent to the delivery point, the customer may elect to be metered at a single point on the secondary side of his transformers where such point is approved by the Company. When the energy is metered on the secondary side of the customer's transformers, the above decreases will be 3.8% and 0.5%, respectively.

MAUI ELECTRIC COMPANY, LIMITED

Superseding Sheet No. 119  
Effective August 18, 1994

REVISED SHEET NO. 119  
Effective

MOLOKAI DIVISION

Schedule "U" (Continued)

Energy Cost Adjustment Clause:

The energy cost adjustment provided in the Energy Cost Adjustment Clause shall be added to the Customer, Demand, and Energy Charges.

Integrated Resource Planning Cost Recovery Clause:

The Integrated Resource Planning Adjustment provided in the Integrated Cost Recovery Clause shall be added to the Customer, Demand, and Energy Charges, and energy cost adjustment.

Term of Contract:

Not less than one year.

Rules and Regulations:

Service supplied under this rate shall be subject to the Rules and Regulations of the Company.

MAUI ELECTRIC COMPANY, LIMITED

Superseding Revised Sheet No. 120  
Effective June 1, 1996

REVISED SHEET NO. 120  
Effective

MOLOKAI DIVISION

SCHEDULE "E"

Electric Service for Employees

Availability:

Applicable to all regular full-time Company employees, Company retirees, members of the Company Board of Directors, and retirees of Hawaiian Electric Company, Inc. and Hawaii Electric Light Company, Inc. who retired on or after January 1, 1996 and who are served by Maui Electric Company, Ltd. This schedule is applicable to the above customers' residential electric service in a single family dwelling unit metered and billed separately by the Company, subject to the Special Terms and Conditions specified below. This schedule does not apply where a residence and business are combined.

Rate:

The rates applicable to service under this schedule shall be two-thirds (2/3) of the current effective Schedule R rates - Residential Service, for usage up to 825 kwh per month. Energy usage above 825 kwh shall be billed the full Schedule R energy rates.

Special Terms and Conditions:

1. "Regular full-time Company employee" is defined as an employee who has successfully completed any required probationary requirements, is hired for an indefinite period, and who works no less than 40 hours per week.
2. This schedule is applicable only to primary residences.
3. Availability of this schedule terminates six months after death of eligible employee, retiree, or member of the Board of Directors.

Rules and Regulations:

Service supplied under this schedule shall be subject to the Rules and Regulations of the Company.

MAUI ELECTRIC COMPANY, LIMITED

Superseding Revised Sheet No. 121  
Effective April 15, 1999

REVISED SHEET NO. 121  
Effective

MOLOKAI DIVISION

ENERGY COST ADJUSTMENT CLAUSE

Applicable To

Schedule "R"	- Residential Service
Schedule "E"	- Electric Service for Employees
Schedule "G"	- General Service - Non Demand
Schedule "J"	- General Service - Demand
Schedule "H"	- Commercial Cooking, Heating, Air Conditioning and Refrigeration Service
Schedule "P"	- Large Power Service
Schedule "N"	- Contract Off-Peak and Interruptible Service
Schedule "F"	- Public Street Lighting
Schedule "U"	- Time-of-Use Service
Schedule "TOU-R"	- Residential Time-of-Use Service
Schedule "TOU-G"	- Small Commercial Time-of-Use Service
Schedule "TOU-J"	- Medium Commercial Time-of-Use Service
Schedule "TOU-P"	- Large Power Time-of-Use Service

All terms and provisions of Schedules "R", "E", "G", "J", "H", "P", "N", "F", "U", "TOU-R", "TOU-G", "TOU-J" and "TOU-P" are applicable, except that the Energy Cost Adjustment Clause described below will be added to the customer bills.

All base rate schedule discounts, surcharges, and all other adjustments will not apply to the energy cost adjustment.

Energy Cost Adjustment Clause:

This Energy Cost Adjustment Clause shall include the following:

FUEL AND PURCHASED ENERGY - The above rates are based on a company-owned central station and other generation cost (exclusive of company-owned distributed generation (DG)) of 1,833.50 cents per million BTU for fuel delivered in its service tanks, a purchased energy composite cost of 18.040 cents per kilowatthour, and a company-owned DG energy composite cost of 18.040 cents per kilowatthour for fuel delivered to the fuel tank at the site used for company-owned DG. Company-generated energy from non-fuel sources shall be considered as zero fuel cost in the determination of the composite fuel cost.

When the Company-generated Composite Cost of Generation is more or less than 1,833.50 cents per million BTU, and/or the Purchased Energy Cost is more or less than 18.040 cents per kilowatthour, and/or the company-owned DG Energy Composite Cost is more or less than 18.040 cents per kilowatthour, a corresponding adjustment (Energy Cost Adjustment Factor) to the energy charges shall be made.

MAUI ELECTRIC COMPANY, LIMITED

Superseding Revised Sheet No. 122  
Effective April 15, 1999

REVISED SHEET NO. 122  
Effective

MOLOKAI DIVISION

Energy Cost Adjustment Clause (Continued)

This adjustment shall be comprised of a Company Composite Central Station With Other Generation Component, a Purchased Energy Component, and a DG Energy Generation Component.

The Company Composite Central Station With Other Generation Component shall be the difference between the current Weighted Composite Central Station + Other Generation Cost and the Weighted Base Central Station + Other Generation Cost, adjusted for additional revenue taxes. The current Weighted Composite Central Station + Other Generation Cost shall be determined by the current Composite Cost of Generation in cents per million BTU weighted by the proportion of current company-owned central station + Other generation to total system net energy, multiplied by the 2007 test-year efficiency factors of 0.010823 million BTU per kilowatthour for industrial fuel, 0.010823 million BTU per kilowatthour for diesel fuel, and 0.010823 million BTU per kilowatthour for other company generation sources, weighted by the current proportion of generation produced by each generation source to the total company-owned generation.

The Weighted Base Central Station + Other Generation Cost is the Base Central Station + Other Generation Cost of 1,833.50 cents per million BTU weighted by the 2007 Test Year proportion of company-owned central station + Other generation to total system net energy, multiplied by the 2007 Test Year efficiency factor of 0.010823 million BTU per kilowatthour.

The Purchased Energy Component shall be the difference between (1) the current Composite Cost of Purchased Energy weighted by the proportion of current purchased energy to the total system net energy, and (2) the Base Purchased Energy Composite Cost of 18.040 cents per kilowatthour weighted by the 2007 Test Year proportion of the purchased energy to total system net energy, adjusted to the sales delivery level and for additional revenue taxes.

The Distributed Generation Energy Component shall be the difference between (1) the current Composite Cost of DG Energy weighted by the proportion of current DG energy to total system net energy, and (2) the Base DG Energy Composite Cost of 18.040 cents per kilowatthour weighted by the proportion of the 2007 Test Year DG energy to total system net energy, adjusted to the sales delivery level and for additional revenue taxes.

The Energy Cost Adjustment Factor shall be the sum of the Central Station With Other Generation Component, the Purchased Energy Component and the DG Energy Generation Component.

MAUI ELECTRIC COMPANY, LIMITED

SHEET NO. 122A  
Effective

MOLOKAI DIVISION

Energy Cost Adjustment Clause (Continued)

The revenue tax requirement shall be calculated using current rates of the Franchise Tax, Public Service Company Tax, and Public Utility Commission Fee.

The Adjustment shall be effective on the date of cost change. When a cost change occurs during a customer's billing period, the Adjustment will be prorated for the number of days each cost was in effect.

This Energy Cost Adjustment Clause is consistent with the terms of the Company's operations, purchased energy contracts, and DG contracts, and may be revised to reflect any revisions or changes in operations, purchased energy contracts, and is subject to approval by the Commission.

Reconciliation Adjustment:

In order to reconcile any differences that may occur between recorded and forecasted Energy Cost Adjustment Clause revenues, the year-to-date recorded revenue from the Energy Cost Adjustment Clause will be compared with the year-to-date revenue expected from the Energy Cost Adjustment Clause on a quarterly basis. If there is a variance between the recorded Energy Cost Adjustment Clause revenue and the expected Energy Cost Adjustment Clause revenue, an adjustment, lagged by two months, shall be made to the Energy Cost Adjustment Clause to reconcile the revenue variance over the sales estimated for the subsequent quarter.

MAUI ELECTRIC COMPANY, LIMITED



Superseding Sheet No. 123  
Effective August 18, 1994

REVISED SHEET NO. 123  
Effective

MOLOKAI DIVISION

RIDER "I"

Interruptible Contract Service

Availability:

This Rider is applicable to service supplied and metered at a single voltage and delivery point where 500 kw or greater is subject to disconnection by the utility under the terms and conditions as set forth in the contract agreement.

Rates:

Reduction in demand charge as set forth in a contract between the customer and the utility and approved by the Public Utilities Commission.

Term of Contract

Not less than five years.

MAUI ELECTRIC COMPANY, LIMITED

Superseding Revised Sheet No. 124  
Effective April 15, 1999

REVISED SHEET NO. 124  
Effective

MOLOKAI DIVISION

RIDER "M"

Off-Peak and Curtailable Service

Availability:

This Rider is available to service supplied in rate Schedule "J" or "P" whose maximum measured demands prior to any load modifications effected under this rider, exceed 100 and 300 kilowatts, respectively. This rider cannot be used in conjunction with Rider T, Rider I, Schedules "U", "TOU-J", or "TOU-P".

Rates:

A. Basic Rates:

The rates for service under this Rider shall be as specified under the regular Schedule "J" or "P", whichever is applicable except that the Minimum Charge and the determination of billing demand used in the calculation of demand and energy charges shall be as defined below, subject to the requirements of the Determination of Demand provision of the applicable rate schedule.

The customer shall select Option A - Off-Peak Service or Option B - Curtailable Service:

OPTION A - OFF-PEAK SERVICE:

- 1) Any demand occurring during the off-peak period shall not be considered in determining the billing kW demand for each month, but shall be used in determining the excess off-peak charge. Only the maximum kW demand occurring during the on-peak period shall be used in the determination of the billing kW demand for the calculation of the demand charge, energy charge and minimum charge as specified in the regular Schedule J or P.
- 2) An Excess Off-Peak Charge of \$1.00 per kilowatt shall be added to the regular rate schedule charges for each kilowatt that the maximum off-peak demand exceeds the maximum demand during the on-peak period.
- 3) For calculation of the excess off-peak charge for each month, the maximum off-peak demand and maximum demand during the on-peak period shall be the highest measured demands during the respective periods for such month.

MAUI ELECTRIC COMPANY, LIMITED

Superseding Revised Sheet No. 125  
Effective April 15, 1999

REVISED SHEET NO. 125  
Effective

MOLOKAI DIVISION

Rider "M" (continued)

- 4) The time-of-use rating periods shall be defined as follows:  

On-Peak Period	7 a.m. - 9 p.m.	Fourteen hours Daily
Off-Peak Period	9 p.m. - 7 a.m.	Ten continuous hours Daily
- 5) The monthly minimum charge shall be the sum of the customer charge and demand charge in the applicable rate schedule, and the Excess Off-Peak Charge and Time-of-Day Metering Charge specified below.

OPTION B - CURTAILABLE SERVICE:

- 1) A customer who chooses curtailable service shall curtail its kW load during the Company's curtailment hours, and shall specify the curtailable kW load. This curtailable load must be load that is normally operated during the Company's curtailment hours and must be at least 50 kW and 150 kW of load under Schedules "J" and "P" respectively. The Company may install a meter to measure the customer's curtailable load prior to the start of curtailable service under this Rider.
- 2) For billing purposes, the curtailed kW shall be determined monthly as the difference between the maximum kW demand outside of the curtailment hours and the maximum kW demand during the curtailment hours measured for each month, but not to exceed the curtailable kW load specified in the customer's Rider M contract.
- 3) The customer shall choose one of the curtailment periods specified below. The billing demand under this curtailable service option shall be the normal billing demand under Schedule "J" or "P" reduced by:  

Option 1)	75% of the curtailed demand if the curtailment hours are the Company's priority peak period defined from 5:00 p.m. to 9:00 p.m., Monday through Friday; or
Option 2)	40% of the curtailed kilowatt demand if the curtailment hours are two (2) consecutive hours as specified by the Company.

MAUI ELECTRIC COMPANY, LIMITED

Superseding Revised Sheet No. 126  
Effective April 15, 1999

REVISED SHEET NO. 126  
Effective

MOLOKAI DIVISION

Rider "M" (continued)

- 4) The monthly minimum charge shall be the sum of the customer charge and demand charge in the applicable rate schedule, and the Time-of-Day Metering Charge specified below.

Where the Company specifies the curtailment hours, the Company shall give the customer at least 30 days notice prior to changing the curtailment hours.

B. TIME-OF-DAY METERING CHARGE:

The Company shall install a time-of-use meter to measure the customer's maximum kW load during the time-of-day rating periods and curtailment hours.

An additional time-of-day metering charge of \$10 per month shall be assessed to cover the additional cost of installing, operating, and maintaining a time-of-use meter.

C. TERMS OF CONTRACT:

1. The initial term of contract shall be at least 3 years. Thereafter, the contract will be automatically renewed in 3-year increments until terminated by either party by a 30-day written notice.
2. A customer applying for service under this Rider shall sign a standard Rider M contract form with the Company.
3. The customer shall be allowed to take service under this Rider for a six-month trial period without penalty for termination within this period.
4. If the contract is terminated after the six months trial period, but prior to the end of the initial contract term, the customer shall be assessed a termination charge equal to the last six months discount received under this Rider.

MAUI ELECTRIC COMPANY, LIMITED

Superseding Sheet No. 126A  
Effective April 15, 1999

REVISED SHEET NO. 126A  
Effective

MOLOKAI DIVISION

Rider "M" (continued)

5. The customer may request a change of Rider options (Option A - Off-Peak Service or Option B - Curtailable Service) or curtailment hours by providing a 30-day written notice to the Company. The change will become effective after the next regular meter reading following the receipt of such written notice by the Company, provided however, the Company may not be required to make such change until 12 months of service has been rendered after the last change, unless a new or revised Rider has been authorized, or unless a customer's operating conditions have altered so as to warrant such change.
6. If under the curtailable service option the customer fails to curtail his demand during the curtailment hours three times within a twelve-month period, the Company may terminate the Rider M contract by a 30-day written notice to the customer. If the Rider M contract is terminated due to the customer's failure to curtail load, the customer may be assessed a termination charge equal to the last six-months discount received under this Rider.
7. Service supplied under this Rider shall be subject to the Rules and Regulations of the Company.

MAUI ELECTRIC COMPANY, LIMITED

Superseding Revised Sheet No. 127  
Effective May 5, 1997

REVISED SHEET NO. 127  
Effective

MOLOKAI DIVISION

RIDER T  
TIME-OF-DAY RIDER

AVAILABILITY:

This rider is available to customers on rate Schedule "J", "K", or "P" but cannot be used in conjunction with the load management Rider M, Schedules "U", "TOU-J" or "TOU-P".

TIME-OF-DAY RATING PERIODS:

The time-of-day rating periods under this Rider shall be as follows:

On-Peak Period: 7:00 a.m. - 9:00 p.m., Daily  
Off-Peak Period: 9:00 p.m. - 7:00 a.m., Daily

RATE:

The rate(s) for service under this Rider including the Customer Charge, Energy Charge, and Demand Charge shall be as specified in the regular rate schedule, except that the following charges shall be added:

TIME-OF-DAY METERING CHARGE - per month \$10.00

TIME-OF-DAY ENERGY CHARGE ADJUSTMENTS:

On-Peak Energy Surcharge - all on-peak kwh + 2.0 cents/kwh  
Off-Peak Energy Credit - all off-peak kwh - 3.0 cents/kwh

MINIMUM CHARGE:

The Minimum Charge shall be as specified under the regular rate schedule except that it shall include the Time-of-Day Metering Charge. In addition, the average energy charge computed from the regular energy charge and the above Time-of-Day energy charge adjustments including the energy cost adjustment, cannot be lower than the off-peak avoided energy cost at the metering point.

DETERMINATION OF DEMAND:

The Determination of Demand shall be as specified in the regular rate schedule, except that only the on-peak Kw demand shall be used in the determination of the kilowatts of billing demand for the Demand Charge, the regular Energy Charge and the Minimum Charge calculations.

MAUI ELECTRIC COMPANY, LIMITED

Superseding Sheet No. 128  
Effective August 18, 1994

REVISED SHEET NO. 128  
Effective

MOLOKAI DIVISION

Rider T (Continued)

VOLTAGE SERVICE AND POWER FACTOR ADJUSTMENTS:

The voltage service and power factor adjustments shall be as specified in the regular rate schedule.

MEASUREMENT OF TIME-OF-DAY ENERGY AND DEMAND:

The Company shall install a time-of-use meter to measure the customer's energy consumption and peak kW demand during the time-of-day rating periods.

TERMS OF AGREEMENT:

The customer applying for service under this Rider shall sign a standard Rider T agreement form with the Company. Service under this Rider shall not be less than five years. The customer may terminate service under this Rider during the first six months without penalty. If the customer terminates service after the first six months but before the end of the first five-year period which begins from the start date of the customer's service under this Rider, the customer shall be charged a termination fee equal to the amount of the last six months of discount received under this Rider.

A customer may perform emergency maintenance on his equipment or load served under this rider during the on-peak period and the customer's maximum demand during that time will not be considered in the determination of the billing kw demand under the following conditions:

- a. The conditions under which the customer may perform emergency maintenance on his equipment or load during on-peak period will be defined in the customer's contract.
- b. The customer may perform such emergency maintenance during on-peak period only when approved by MECO, and will operate only for the duration approved by MECO. Such MECO approval shall be by phone, or by e-mail, or in writing to the customer.

MAUI ELECTRIC COMPANY, LIMITED

SHEET NO. 128A  
Effective

MOLOKAI DIVISION

Rider T (Continued)

- c. The customer must notify MECO as far in advance as possible, but not less than 1 hour before performing such emergency maintenance on his equipment or load during the on-peak period. Such notice shall be by phone, by e-mail, or in writing. MECO may approve the customer's request on the basis of available capacity. Service to the customer under this condition may be interrupted at any time when MECO's system conditions dictate the necessity to interrupt service, or when in MECO's sole judgment the system may be impaired or the startup of another unit would be uneconomic.
- d. The customer's request to operate its load during the on-peak period under this condition cannot exceed four (4) times within a 12-month period.

MAUI ELECTRIC COMPANY, LIMITED



Superseding Revised Sheet No. 129  
Effective June 1, 2006

REVISED SHEET NO. 129  
Effective

MOLOKAI DIVISION

INTEGRATED RESOURCE PLANNING  
COST RECOVERY PROVISION

Supplement To

Schedule "R"	- Residential Service
Schedule "E"	- Electric Service for Employees
Schedule "G"	- General Service Non-Demand
Schedule "J"	- General Service Demand
Schedule "H"	- Commercial Cooking, Heating, Air Conditioning and Refrigeration Service
Schedule "P"	- Large Power Service
Schedule "N"	- Contract Off-Peak and Interruptible Service
Schedule "F"	- Public Street Lighting
Schedule "U"	- Time-of-Use Service
Schedule "TOU-R"	- Residential Time-of-Use Service
Schedule "TOU-G"	- Small Commercial Time-of-Use Service
Schedule "TOU-J"	- Commercial Time-of-Use Service
Schedule "TOU-P"	- Large Power Time-of-Use Service

All terms and provisions of Schedules "R", "E", "G", "J", "H", "P", "N", "F", "U", "TOU-R", "TOU-G", "TOU-J" and "TOU-P" are applicable, except that the total base rate charges for each billing period shall be increased by the following Integrated Resource Planning (IRP) Cost Recovery Adjustment, Residential Demand-Side Management (DSM) Adjustment, and Commercial and Industrial Demand-Side Management (DSM) Adjustment:

A. INTEGRATED RESOURCE PLANNING COST RECOVERY ADJUSTMENT:

All Rate Schedules..... 0.000 percent

The total base rate charges for all rate schedules shall be decreased by the above Integrated Resource Planning Cost Recovery Adjustment, which is based on the reconciliation of the recovery of the \_\_\_\_\_ IRP Planning Costs, including interest and taxes, as approved by the Public Utilities Commission.

The total base rate charges for the current billing period shall include all base rate schedule charges, discounts, surcharges, or base rate adjustments, excluding the Energy Cost Adjustment, Firm Capacity Surcharge, Firm Capacity Surcharge Adjustment, Residential DSM Adjustment, and Commercial and Industrial DSM Adjustment.

MAUI ELECTRIC COMPANY, LIMITED

Superseding Revised Sheet No. 129A  
Effective June 1, 2006

REVISED SHEET NO. 129A  
Effective

MOLOKAI DIVISION

INTEGRATED RESOURCE PLANNING COST RECOVERY PROVISION - Continued

B. Residential Demand-Side Management (DSM) Adjustment

Schedule R and TOU-R - per kWh.....            ¢/kWh

The total residential monthly bill shall include the above Residential DSM adjustment applied to all kWh per month. The above Residential DSM adjustment is based on recovering \$\_\_\_\_\_ for the 2007 residential program costs and revenue taxes and the reconciliation of the 2006 program cost recovery for which recovery has been approved by the Public Utilities Commission.

C. Commercial and Industrial Demand-Side Management (DSM) Adjustment:

Schedules G, J, H, P, N, U, TOU-G, TOU-J, TOU-P- per kWh            ¢/kWh

The total monthly bill for Schedules G, J, H, P, N, U, TOU-G, TOU-J, and TOU-P customers shall include the above Commercial and Industrial DSM adjustment applied to all kWh per month. The above adjustment is based on recovering \$\_\_\_\_\_ for the 2007 C&I program costs and revenue taxes and the reconciliation of the 2006 program cost recovery for which recovery has been approved by the Public Utilities Commission.

RECONCILIATION ADJUSTMENT: (To be added to Integrated Resource Planning Cost Recovery Adjustment, Residential DSM Adjustment, Commercial and Industrial DSM Adjustment):

In order to reconcile any differences that may occur between the above costs to be recovered and the revenues received from the above adjustments, recorded revenues will be compared with the above costs. The Integrated Resource Planning Cost Recovery, Residential DSM Adjustment, and the Commercial and Industrial DSM Adjustment will be reconciled annually. If there is a variance between the recorded revenues from the adjustments and the costs to be recovered, a reconciliation adjustment, lagged by two months, will be made to the above adjustments.

MAUI ELECTRIC COMPANY, LIMITED

Superseding Revised Sheet No. 130  
Effective April 15, 1999

REVISED SHEET NO. 130  
Effective

MOLOKAI DIVISION

SCHEDULE "Q"

Purchases From Qualifying Facilities - 100 KW or Less

Availability:

This schedule is available to customers with cogeneration and/or small power production facilities which qualify under the Commission's Rules, Chapter 74 of Title 6, Subchapter 2 with a design capacity of 100 kilowatts or less. Such qualifying facilities (QF's) shall be designed to operate properly in parallel with the Company's system without adversely affecting the operations of its customers and without presenting safety hazards to the Company's or other customer's personnel. The customer shall comply with the Company's requirements for customer generation interconnected with the utility system.

Energy delivered to the customer by the Company will be metered separately from the energy delivered by the customer to the Company.

Rate for Energy Delivered to the Company by Customer

The Company will pay for energy as follows:

All kwh per month - per kwh	20.64 cents
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Metering Charge:

There is a monthly charge to the customer for metering, billing and administration of the interconnection for purchase power as follows:

Single phase service - per month	\$5.00
Three phase service - per month	\$10.00

Energy Delivered to the Customer by the Company:

Energy delivered to the customer shall be billed on an applicable Company rate schedule.

System Compatibility:

The customer must deliver electric power at 60 hertz and the same phase and voltage as the customer receives service from the Company.

MAUI ELECTRIC COMPANY, LIMITED

Superseding Revised Sheet No. 131  
Effective April 15, 1999

REVISED SHEET NO. 131  
Effective

MOLOKAI DIVISION

Schedule "Q" (Continued)

Interconnection Facilities:

The customer shall furnish, install, operate and maintain facilities such as relays, switches, synchronizing equipment, monitoring equipment and control and protective devices designated by the Company as suitable for parallel operation with the Company system. Such facilities shall be accessible at all times to authorized Company personnel. All designs should be approved by the Company prior to installation.

If additional Company facilities are required or the existing facilities must be modified to accept the QF's deliveries, the QF shall make a contribution for the cost of such additional facilities.

Contract:

The Company shall require a contract specifying technical and operating aspects of parallel generation.

Fuel Clause:

The above rate for energy delivered to the Company by the Customer is based on a cost of fuel for Company generation of 1,833.50 cents per million Btu for fuel delivered in its service tanks. Effective the first day of January, April, July, and October an Adjustment shall be made to reflect the Company-generated fuel cost on file with the Commission and shall be effective for the following three months.

The Adjustment shall be the sum of the time-weighted on-peak adjustment (14 hours of 24 hours) and off-peak adjustment (10 hours of 24 hours). On-peak and off-peak adjustments shall be determined by the amount of the Company-generated fuel cost increase or decrease (in terms of cents per million Btu) from the base of 1,833.50 cents per million Btu multiplied by an on-peak heat rate of 11,006 Btu per net kilowatthour and an off-peak heat rate of 11,006 Btu per net kilowatthour.

This Fuel Clause is consistent with the terms of the Company's operations and may be revised to reflect any revisions or changes in operations, subject to approval by the Commission.

MAUI ELECTRIC COMPANY, LIMITED

Superseding Revised Sheet No. 132  
Effective January 1, 1999

REVISED SHEET NO. 132  
Effective

MOLOKAI DIVISION  
GREEN PRICING PROGRAM PROVISION

AVAILABILITY:

Available to all residents/non-residents of the Island of Molokai who wish to make voluntary contributions for the development of renewable energy resources on Lanai.

GREEN PRICING PROGRAM:

The objective of the Green Pricing Program is to encourage the development of Hawaii's renewable energy resources. The participant's voluntary contributions under the Green Pricing Program Provision are used to develop renewable energy facilities.

The Company's Sun Power for Schools Pilot Program is a pilot project under which photovoltaic systems are installed on selected public schools on the Island of Molokai. The participating school will own the photovoltaic facility and use the energy produced by the system at no cost. Contributions received from the participants in this Green Pricing Program Provision are used to help fund this pilot program.

Other renewable energy projects may be developed in the future as part of the Company's Green Pricing Program, depending on the availability of contributions received from this Green Pricing Program Provision.

VOLUNTARY PARTICIPATION:

1. Participation in the Green Pricing Program through the Green Pricing Program Provision, is voluntary and may be terminated by the participant at any time.
2. Any resident/non-resident of the Island of Molokai may contribute to the Green Pricing Program through the Green Pricing Program Provision by completing a standard program sign-up form which indicates the participant's mailing address, electric service account number (if participant is currently a MECO customer), and the contribution payment option desired. The Green Pricing Program Provision contribution payment options are listed below.

MAUI ELECTRIC COMPANY, LIMITED

Superseding Revised Sheet No. 132A  
Effective January 1, 1999

REVISED SHEET NO. 132A  
Effective

MOLOKAI DIVISION

GREEN PRICING PROGRAM PROVISION (Continued)

3. A participant may terminate his/her voluntary contribution to the Green Pricing Program at any time by submitting a written or telephonic request to the Company to terminate participation in the Green Pricing Program Provision.

CONTRIBUTION PAYMENT OPTIONS:

A participant will specify the amount of his/her voluntary contribution (in whole dollars) and shall elect one of the following payment options:

Option 1: Monthly Contribution - the participant will be billed monthly based on the participant's specified dollar contribution amount.

Option 2: One Time Contribution - the participant will be billed one time for one lump sum contribution.

TERMS AND CONDITIONS:

1. Payments received by the Company shall be applied first to the participant's outstanding electric service bill balance, if any, and the remainder shall be applied to the participant's contribution to the Green Pricing Program under the Green Pricing Program Provision.
2. Electric Service will not be terminated if the participant fails to make contribution payments under the Green Pricing Program Provision.
3. The Company may terminate a participant's participation in the Green Pricing Program Provision, if the participant fails to make contribution payments for two (2) consecutive months.
4. The Company's late payment charge shall not apply to the participant's voluntary contributions under the Green Pricing Program Provision.

MAUI ELECTRIC COMPANY, LIMITED

SHEET NO. 135  
Effective

MOLOKAI DIVISION

SCHEDULE TOU-R

RESIDENTIAL TIME-OF-USE SERVICE

AVAILABILITY:

Applicable to residential service metered and billed separately by the Company. This Schedule does not apply where a residence and business are combined. Service under this Schedule will be delivered at secondary voltages as specified by the Company.

Service under this Schedule shall be limited to a total of 300 meters.

RATES:

CUSTOMER CHARGE - \$ per customer per month:

Single-Phase Service	- per month	\$7.50/month
Three-Phase Service	- per month	\$12.00/month

ENERGY CHARGES - ¢ per kWh:

Base Charges

First 250 kWh per month - per kWhr	34.3732 ¢/kWhr
Next 500 kWh per month - per kWhr	35.5288 ¢/kWhr
All kWh over 750 kWh per month - per kWhr	35.7843 ¢/kWhr

Time-of-Use Charges

Priority Peak Period	- per kWhr	5.0 ¢/kWhr
Mid-Peak Period	- per kWhr	2.5 ¢/kWhr
Off-Peak Period	- per kWhr	- 5.0 ¢/kWhr

MAUI ELECTRIC COMPANY, LIMITED

SHEET NO. 135A  
Effective

MOLOKAI DIVISION  
SCHEDULE TOU-R (Continued)

MINIMUM CHARGE:

The minimum charge shall be \$17.00.

TIME-OF-USE RATING PERIODS:

The time-of-use rating periods under this Schedule shall be defined as follows:

Priority Peak:	5:00 p.m.-9:00 p.m., Monday-Friday
Mid-Peak:	7:00 a.m.-5:00 p.m., Monday-Friday 7:00 a.m.-9:00 p.m., Saturday-Sunday
Off-Peak:	9:00 p.m.-7:00 a.m., Daily

DETERMINATION OF TIME-OF-USE ENERGY:

The Company shall install, own, operate and maintain a time-of-use meter to measure the customer's kWh energy consumption during the time-of-use rating periods.

TERMS AND CONDITIONS:

- 1) The Company may meter the customer's energy usage pattern for one to two months before the customer's service start date under this Schedule, to allow the Company to gather the customer's baseline load profile.
- 2) The Company shall install the time-of-use meter in accordance with Rule 14. Although the existing service equipment is expected to be used, the customer shall provide, install, and maintain the service equipment specified in Rule 14, such as all the conductors, service switches, meter socket, meter panel, and other similar devices required for service connection and meter installations on the customer's premises.

MAUI ELECTRIC COMPANY, LIMITED



SHEET NO. 135B  
Effective

MOLOKAI DIVISION

SCHEDULE TOU-R (Continued)

- 3) The Company may request a customer to allow the Company shared-use of its telephone line to enable the Company to remotely download the customer's usage data from the meter.
- 4) A customer may terminate service under this rate Schedule and return to the regular Schedule R at any time without penalty, by a written notice to the Company. The change shall become effective at the start of the next regular billing period following the date of receipt by the Company of the notice from the customer. If a customer elects to discontinue service under this Schedule, the customer will not be permitted to return to this Schedule for a period of one year.

ENERGY COST ADJUSTMENT CLAUSE:

The energy cost adjustment provided in the Energy Cost Adjustment Clause shall be added to the Customer and Energy Charges.

INTEGRATED RESOURCE PLANNING COST RECOVERY PROVISION:

The Integrated Resource Planning Surcharge shall be added to the Customer and Energy Charges, and energy cost adjustment.

RULES AND REGULATIONS:

Service supplied under this rate schedule shall be subject to the Rules and Regulations of the Company.

MAUI ELECTRIC COMPANY, LIMITED

SHEET NO. 136  
Effective

MOLOKAI DIVISION

SCHEDULE TOU-G

SMALL COMMERCIAL TIME-OF-USE SERVICE

AVAILABILITY:

Applicable to general light and/or power loads less than or equal to 5,000 kilowatthours per month, and less than or equal to 25 kilowatts, and supplied through a single meter. Customers served under this Schedule who exceed 5,000 kilowatthours per month or 25 kilowatts will be automatically transferred to Schedule TOU-J at the beginning of the next billing period.

Service will be delivered at secondary voltages as specified by the Company, except where the nature or location of the customer's load makes delivery at secondary voltage impractical, the Company may, at its option, deliver the service at a nominal primary voltage as specified by the Company.

Service under this Schedule shall be limited to a total of 100 meters.

RATE:

CUSTOMER CHARGE:

Single-Phase Service - per month	\$23.00/month
Three-Phase Service - per month	\$34.00/month

ENERGY CHARGE: (To be added to Customer and Demand Charge)

Priority Peak Period - per kWhr	46.7728 ¢/kWhr
Mid-Peak Period - per kWhr	44.2728 ¢/kWhr
Off-Peak Period - per kWhr	36.7728 ¢/kWhr

MINIMUM CHARGE: Customer Charge

MAUI ELECTRIC COMPANY, LIMITED

SHEET NO. 136A  
Effective

MOLOKAI DIVISION

SCHEDULE TOU-G - continued

TIME-OF-USE RATING PERIODS:

The time-of-use rating periods shall be as follows:

Priority Peak:	5:00 a.m. - 9:00 p.m., Monday - Friday
Mid-Peak:	7:00 a.m. - 5:00 p.m., Monday - Friday
	7:00 a.m. - 9:00 p.m., Saturday - Sunday
Off-Peak:	9:00 p.m. - 7:00 a.m., Daily

DETERMINATION OF TIME-OF-USE ENERGY:

The Company shall install, own, operate and maintain a time-of-use meter to measure the customer's kWh energy consumption during the time-of-use rating periods.

TERMS AND CONDITIONS:

- 1) The Company may meter the customer's energy usage pattern for one to two months before the customer's service start date under this Schedule, to allow the Company to gather the customer's baseline load profile.
- 2) The Company shall install the time-of-use meter in accordance with Rule 14. Although the existing service equipment is expected to be used, the customer shall provide, install, and maintain the service equipment specified in Rule 14, such as all the conductors, service switches, meter socket, meter panel, and other similar devices required for service connection and meter installations on the customer's premises.
- 3) The Company may request a customer to allow the Company shared-use of its telephone line to enable the Company to remotely download the customer's usage data from the meter.
- 4) A customer may terminate service under this rate Schedule and return to the regular Schedule G at any time without penalty, by a written notice to the Company. The change shall become effective at the start of the next regular billing period following the date of receipt by the Company of the notice from the customer. If a customer elects to discontinue service under this Schedule, the customer will not be permitted to return to this Schedule for a period of one year.

MAUI ELECTRIC COMPANY, LIMITED

SHEET NO. 136B  
Effective

MOLOKAI DIVISION  
SCHEDULE TOU-G - continued

Energy Cost Adjustment Clause:

The energy cost adjustment provided in the Energy Cost Adjustment Clause shall be added to the Customer, Demand, and Energy charges.

Integrated Resource Planning Cost Recovery Provision:

The Integrated Resource Planning Surcharge shall be added to the Customer, Demand, and Energy charges, and energy cost adjustment.

Rules and Regulations:

Service supplied under this rate shall be subject to the Rules and Regulations of the Company.

MAUI ELECTRIC COMPANY, LIMITED

SHEET NO. 137  
Effective

MOLOKAI DIVISION  
SCHEDULE TOU-J  
COMMERCIAL TIME-OF-USE SERVICE

AVAILABILITY:

Applicable to general light and/or power loads which exceed 5,000 kilowatthours per month three times within a twelve-month period or which exceed 25 kW per month and but are less than 100 kW per month. This Schedule cannot be used in conjunction with load management Riders M, T, and I, Schedule "U", and Schedule "TOU-P".

RATE:

CUSTOMER CHARGE:

Single-Phase Service	- per month	\$42.00/month
Three-Phase Service	- per month	\$52.00/month

DEMAND CHARGE - (To be added to Customer and Energy Charge)

Priority Peak	- per kW of billing demand	\$23.75/kW
Mid-Peak	- per kW of billing demand	\$11.00/kW

The customer shall be billed the Priority Peak demand charge if his maximum measured kW demand for the billing period occurs during the priority peak period. If the customer's maximum measured kW demand for the billing period occurs during the Mid-Peak period, the Mid-Peak demand charge will apply. If the customer's maximum kW demand during the Priority Peak period is equal to his maximum kW demand during the Mid-Peak period, the Priority Peak demand charge shall apply.

ENERGY CHARGE: (To be added to Customer Charge)

Priority Peak Period	- per kWhr	38.4868 ¢/kWhr
Mid-Peak Period	- per kWhr	36.4868 ¢/kWhr
Off-Peak Period	- per kWhr	26.4868 ¢/kWhr

MAUI ELECTRIC COMPANY, LIMITED

SHEET NO. 137A  
Effective

MOLOKAI DIVISION

SCHEDULE TOU-J - (continued)

MINIMUM CHARGE:

The minimum charge per month shall be the sum of the Customer Charge and the Demand Charge. The Demand Charge shall be computed with the above demand charge applied to kilowatts of demand. The kilowatts of demand for the minimum charge calculation each month shall not be less than 25 kW.

TIME-OF-USE RATING PERIODS:

The time-of-use rating periods shall be as follows:

Priority Peak:	5:00 a.m. - 9:00 p.m., Monday - Friday
Mid-Peak:	7:00 a.m. - 5:00 p.m., Monday - Friday
	7:00 a.m. - 9:00 p.m., Saturday - Sunday
Off-Peak:	9:00 p.m. - 7:00 a.m., Daily

DETERMINATION OF TIME-OF-USE ENERGY AND DEMAND:

The Company shall install a time-of-use meter to measure the customer's kilowatthour consumption and kilowatt load during the time-of-use rating periods. The maximum demand for the rating periods for each month shall be the maximum average load in kilowatts during any fifteen-minute period as indicated by a time-of-use meter. The kilowatts of billing demand for each month shall be the maximum measured demand outside of the Off-Peak hours, but not less than 25 kW.

Power Factor:

The above energy and demand charges are based upon an average monthly power factor of 85%. For each 1% the average power factor is above or below 85%, the monthly energy and demand charges as computed under the above rates shall be decreased or increased, respectively, by 0.15%.

MAUI ELECTRIC COMPANY, LIMITED

SHEET NO. 137B  
Effective

MOLOKAI DIVISION

SCHEDULE TOU-J - (continued)

Power Factor - continued:

The average monthly power factor will be determined from the readings of a kWhr meter and kvarh meter, and will be computed to the nearest whole percent and not exceeding 100% for the purpose of computing the adjustment. The kvarh meter shall be ratcheted to prevent reversal in the event the power factor is leading at any time.

Supply Voltage Delivery:

If the customer takes delivery at the Company's supply line voltage, the demand and energy charges will be decreased as follows:

Transmission voltage supplied without further transformation	-4.4%
Distribution voltage supplied without further transformation	-1.1%

Metering will normally be at the delivery voltage. When the customer's transformers are adjacent to the delivery point, the customer may elect to be metered at a single point on the secondary side of his transformers where such point is approved by the Company. When the energy is metered on the secondary side of the customer's transformers, the above decreases will be 3.8% and 0.5%, respectively.

Energy Cost Adjustment Clause:

The energy cost adjustment provided in the Energy Cost Adjustment Clause shall be added to the Customer, Demand, and Energy charges.

Integrated Resource Planning Cost Recovery Provision:

The Integrated Resource Planning Surcharge shall be added to the Customer, Demand, and Energy charges, and energy cost adjustment.

Rules and Regulations:

Service supplied under this rate shall be subject to the Rules and Regulations of the Company.

MAUI ELECTRIC COMPANY, LIMITED

SHEET NO. 138  
Effective

MOLOKAI DIVISION

SCHEDULE TOU-P

LARGE POWER TIME-OF-USE SERVICE

AVAILABILITY:

Applicable to large light and/or power service supplied and metered at a single voltage and delivery point. Loads must exceed 100 kW per month. This Schedule cannot be used in conjunction with load management Riders M, T, and I, and Schedule "TOU-P".

RATE:

CUSTOMER CHARGE: \$85.00 per month

DEMAND CHARGE - (To be added to Customer and Energy Charge)  
Priority Peak - per kW of billing demand \$14.75/kW  
Mid-Peak - per kW of billing demand \$11.00/kW

The customer shall be billed the Priority Peak demand charge if his maximum measured kW demand for the billing period occurs during the priority peak period. If the customer's maximum measured kW demand for the billing period occurs during the Mid-Peak period, the Mid-Peak demand charge will apply. If the customer's maximum kW demand during the Priority Peak period is equal to his maximum kW demand during the Mid-Peak period, the Priority Peak demand charge shall apply.

ENERGY CHARGE: (To be added to Customer Charge)  
Priority Peak Period - per kWhr 36.5525 ¢/kWhr  
Mid-Peak Period - per kWhr 34.5525 ¢/kWhr  
Off-Peak Period - per kWhr 24.5525 ¢/kWhr

MAUI ELECTRIC COMPANY, LIMITED



SHEET NO. 138A  
Effective

MOLOKAI DIVISION

SCHEDULE TOU-P - (continued)

MINIMUM CHARGE:

The minimum charge per month shall be the sum of the Customer Charge and the Demand Charge. The Demand Charge shall be computed with the above demand charge applied to kilowatts of demand. The kilowatts of demand for the minimum charge calculation each month shall not be less than 100 kW.

TIME-OF-USE RATING PERIODS:

The time-of-use rating periods shall be as follows:

Priority Peak:	5:00 a.m. - 9:00 p.m., Monday - Friday
Mid-Peak:	7:00 a.m. - 5:00 p.m., Monday - Friday
	7:00 a.m. - 9:00 p.m., Saturday - Sunday
Off-Peak:	9:00 p.m. - 7:00 a.m., Daily

DETERMINATION OF TIME-OF-USE ENERGY AND DEMAND:

The Company shall install a time-of-use meter to measure the customer's kilowatthour consumption and kilowatt load during the time-of-use rating periods. The maximum demand for the rating periods for each month shall be the maximum average load in kilowatts during any fifteen-minute period as indicated by a time-of-use meter. The kilowatts of billing demand for each month shall be the maximum measured demand outside of the Off-Peak hours, but not less than 100 kW.

Power Factor:

The above energy and demand charges are based upon an average monthly power factor of 85%. For each 1% the average power factor is above or below 85%, the monthly energy and demand charges as computed under the above rates shall be decreased or increased, respectively, by 0.10%.

MAUI ELECTRIC COMPANY, LIMITED

SHEET NO. 138B  
Effective

MOLOKAI DIVISION

SCHEDULE TOU-P - (continued)

Power Factor - continued:

The average monthly power factor will be determined from the readings of a kWhr meter and kvarh meter, and will be computed to the nearest whole percent and not exceeding 100% for the purpose of computing the adjustment. The kvarh meter shall be ratcheted to prevent reversal in the event the power factor is leading at any time.

Supply Voltage Delivery:

If the customer takes delivery at the Company's supply line voltage, the demand and energy charges will be decreased as follows:

Transmission voltage supplied without further transformation	-4.4%
Distribution voltage supplied without further transformation	-1.1%

Metering will normally be at the delivery voltage. When the customer's transformers are adjacent to the delivery point, the customer may elect to be metered at a single point on the secondary side of his transformers where such point is approved by the Company. When the energy is metered on the secondary side of the customer's transformers, the above decreases will be 3.8% and 0.5%, respectively.

Energy Cost Adjustment Clause:

The energy cost adjustment provided in the Energy Cost Adjustment Clause shall be added to the Customer, Demand, and Energy charges.

Integrated Resource Planning Cost Recovery Provision:

The Integrated Resource Planning Surcharge shall be added to the Customer, Demand, and Energy charges, and energy cost adjustment.

Rules and Regulations:

Service supplied under this rate shall be subject to the Rules and Regulations of the Company.

MAUI ELECTRIC COMPANY, LIMITED

Superseding Sheet No. II  
Effective June 6, 2003

REVISED SHEET NO. II  
Effective June 17, 2005

MAUI ELECTRIC COMPANY, LIMITED

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Supersedes Sheet No. 17  
Effective: October 31, 1966

REVISED SHEET NO. 17  
Effective: August 18, 1994

RULE NO. 7

Discontinuance and Restoration of Service

A. REASONS FOR DENYING SERVICE

The Company may refuse or discontinue service for any of the reasons listed below:

1. Without notice in the event of a condition determined by the Company to be hazardous. The Company shall have the right to refuse service to any applicant and to refuse or discontinue service to any customer whose wire, appliances, apparatus, or other equipment, or use thereof shall be determined by the Company to be unsafe or in violation of applicable laws, ordinances, rules or regulations of any public authority, or if any condition exists upon the applicant's or customer's premises shall be determined by the Company to endanger the Company's service facilities;

The Company does not assume any duty of inspecting or repairing any applicant's or customer's wire, appliances, apparatus, or other equipment or any part thereof and assumes no liability therefor;

2. Without notice in the event of customer use of equipment in such a manner as to adversely affect the Company's equipment or the Company's service to others;
3. Without notice in the event of tampering with the equipment furnished and owned by the Company;
4. Without notice in the event of unauthorized use or use in violation of applicable laws, ordinances, rules, or regulations of any public authority;
5. For violation of and/or non-compliance with the Company's tariff or rules on file with and approved by the Commission. The Company may discontinue service to a customer if after written notice of such non-compliance the customer fails to comply within 5 days after date of presentation of such notice or within such other period of time after date of presentation of such notice as may be specified in such notice;
6. For failure of the customer to fulfill his contractual obligations for service and/or facilities subject to regulation by the Commission;
7. For failure of the customer to permit the Company reasonable access to its equipment;

MAUI ELECTRIC COMPANY, LIMITED

Supersedes Revised Sheet No. 18  
Effective: August 31, 1984

REVISED SHEET NO. 18  
Effective: August 18, 1994

MAUI ELECTRIC COMPANY, LTD.

RULE NO. 7 (Continued)  
Discontinuance and Restoration of Service

8. For non-payment of bill provided that the Company has made a reasonable attempt to effect collection and has given the customer written notice that he has at least 5 days, excluding Sundays and holidays, in which to make settlement on his account or have his service denied;
9. If, for an applicant's convenience, the Company should provide service before credit is established or should continue service to a customer when credit has not been re-established in accordance with Rule No. 5 and he fails to establish or re-establish his credit within 5 days after date of presentation of written notice to do so or within such other period of time after date of presentation of such notice as may be specified in such notice, the Company may discontinue service;
10. For failure of the customer to furnish such service equipment, permits, certificates, and/or rights-of-way, as shall have been specified by the Company as a condition to obtaining service, or in the event such equipment or permissions are withdrawn or terminated; or
11. For fraud against the Company.

B. CUSTOMER'S REQUEST FOR SERVICE DISCONTINUANCE

When a customer desires to terminate his responsibility for service, he shall give the Company not less than 2 days' notice and state the date on which he wishes the termination to become effective. A customer may be held responsible for all service furnished at the premises until 2 days after receipt of such notice by the Company or until the date of termination specified in the notice, whichever date is later.

C. SERVICE ESTABLISHMENT AND RECONNECTION CHARGE

The Company shall require payment of \$15.00 for each establishment, supersedure, or re-establishment of electric service to any customer. This service establishment charge is in addition to the charges calculated in accordance with the applicable schedule and will be required each time an account is opened, including a turn on or reconnection of electric service or a change of customer which requires a meter reading.

When the customer requests that electric service be turned on or reconnected outside of regular business hours or same day service, an additional charge of \$10.00 will be charged.

MAUI ELECTRIC COMPANY, LIMITED

Supersedes Sheet No. 19  
Effective: October 31, 1966

REVISED SHEET NO. 19  
Effective: August 18, 1994

RULE NO. 8

Rendering and Payment of Bills

A. RENDERING OF BILLS

1. Billing Period

Bills for electric service may be rendered monthly or bimonthly at the option of the Company, except that bills based on measured monthly maximum demand shall be rendered monthly. Bimonthly bills will be computed by doubling the size of the monthly energy blocks and the monthly amount of the capacity or minimum charge.

2. Metered Service

Bills for metered service will be based on meter registration. Meters will be read as required for the preparation of regular bills, opening bills and closing bills.

It may not be possible always to read meters on the same day of the month, and should a bimonthly billing period contain less than 54 days or more than 66 days or should a monthly billing period contain less than 27 days or more than 33 days, a pro rata adjustment in the bill will be made.

3. Pro Rata Adjustment

Except as provided below, all bills for electric service rendered for periods of less than 54 days or more than 66 days on a bimonthly billing period, or for periods of less than 27 days or more than 33 days on a monthly billing period will be computed in accordance with the applicable schedule, but the size of the energy blocks, and the amount of the capacity demand, or minimum charge, specified therein, will be prorated on the basis of the ratio of the number of days in the period to the number of days in an average bimonthly or monthly period, which for this purpose shall be 60 days and 30 days, respectively.

When the total period of service is less than 34 days, no proration will be made, and no bill for such a service period shall be less than the specified monthly capacity, demand, or minimum charge, except, when temporary service is furnished and the customer has paid the estimated cost of installing and removing the service facilities, proration will be made.

MAUI ELECTRIC COMPANY, LIMITED

Superseding Revised Sheet No. 20  
Effective: August 18, 1994

REVISED SHEET NO. 20  
Effective May 5, 1997

MAUI ELECTRIC COMPANY, LTD.

RULE NO. 8 (Continued)  
Rendering and Payment of Bills

B. READING OF SEPARATE METERS NOT COMBINED

For the purpose of making charges and billing, each meter upon the customer's premises will be considered separately and the readings of two or more meters will not be combined, except where the Company, for engineering and operating reasons, installs more than one meter.

C. PAYMENT OF BILLS

All bills are due and payable on the date of presentation, and payment shall be made at a Company business office or to an authorized representative or agent.

Bills for connection or reconnection of service, payments for deposits, and payments to reinstate deposits as required by these rules shall be paid before service will be connected or reconnected.

D. RETURNED CHECK CHARGE

Payment by check for any service covered herein which is returned by the financial institution on which it is issued will result in a fee of \$10.00 to the customer.

E. FIELD COLLECTION CHARGE

The Company shall require payment of \$15.00 for any field call to the service location necessitated by the customer's non-payment of bills or for failure otherwise to comply with the tariff.

F. LATE PAYMENT CHARGE

1. A late payment charge of 1% shall be applied to any unpaid electric service-related account balances excluding any unpaid late payment charges existing when the bill is calculated for billing purposes, provided the billing period is not less than 20 days since the last bill.

MAUI ELECTRIC COMPANY, LIMITED

SHEET NO. 20A  
EFFECTIVE May 5, 1997

MAUI ELECTRIC COMPANY, LTD.

RULE NO. 8 (Continued)

2. A late payment charge of 0.83% per month (or 10% per year) shall be applied to any other customer account receivables (OCARS) excluding any unpaid late payment charges existing when the unpaid account balance is calculated for billing purposes, provided the billing period is not less than 20 days since the last bill. A late payment charge provision specified in a written contract shall supersede the 0.83% per month (or 10% per year) late payment charge.

MAUI ELECTRIC COMPANY, LIMITED

Docket No. 94-0345  
D&O No. 15544



Superseding Sheet No. II  
Effective June 6, 2003

REVISED SHEET NO. II  
Effective June 17, 2005

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Supersedes Sheet No. 17  
Effective: August 18, 1994

REVISED SHEET NO. 17  
Effective:

RULE NO. 7

Discontinuance and Restoration of Service

A. REASONS FOR DENYING SERVICE

The Company may refuse or discontinue service for any of the reasons listed below:

1. Without notice in the event of a condition determined by the Company to be hazardous. The Company shall have the right to refuse service to any applicant and to refuse or discontinue service to any customer whose wire, appliances, apparatus, or other equipment, or use thereof shall be determined by the Company to be unsafe or in violation of applicable laws, ordinances, rules or regulations of any public authority, or if any condition exists upon the applicant's or customer's premises shall be determined by the Company to endanger the Company's service facilities;

The Company does not assume any duty of inspecting or repairing any applicant's or customer's wire, appliances, apparatus, or other equipment or any part thereof and assumes no liability therefor;

2. Without notice in the event of customer use of equipment in such a manner as to adversely affect the Company's equipment or the Company's service to others;
3. Without notice in the event of tampering with the equipment furnished and owned by the Company;
4. Without notice in the event of unauthorized use or use in violation of applicable laws, ordinances, rules, regulations of any public authority;
5. For violation of and/or non-compliance with the Company's tariff or rules on file with and approved by the Commission. The Company may discontinue service to a customer if after written notice of such non-compliance the customer fails to comply within 5 days after date of presentation of such notice or within such other period of time after date of presentation of such notice as may be specified in such notice;
6. For failure of the customer to fulfill his contractual obligations for service and/or facilities subject to regulation by the Commission;
7. For failure of the customer to permit the Company reasonable access to its equipment;

MAUI ELECTRIC COMPANY, LIMITED

Supersedes Revised Sheet No. 18  
Effective: August 18, 1994

REVISED SHEET NO. 18  
Effective:

MAUI ELECTRIC COMPANY, LTD.

RULE NO. 7 (Continued)  
Discontinuance and Restoration of Service

8. For non-payment of bill provided that the Company has made a reasonable attempt to effect collection and has given the customer written notice that he has at least 5 days, excluding Sundays and holidays, in which to make settlement on his account or have his service denied;
9. If, for an applicant's convenience, the Company should provide service before credit is established or should continue service to a customer when credit has not been re-established in accordance with Rule No. 5 and he fails to establish or re-establish his credit within 5 days after date of presentation of written notice to do so or within such other period of time after date of presentation of such notice as may be specified in such notice, the Company may discontinue service;
10. For failure of the customer to furnish such service equipment, permits, certificates, and/or rights-of-way, as shall have been specified by the Company as a condition to obtaining service, or in the event such equipment or permissions are withdrawn or terminated; or
11. For fraud against the Company.

B. CUSTOMER'S REQUEST FOR SERVICE DISCONTINUANCE

When a customer desires to terminate his responsibility for service, he shall give the Company not less than 2 days' notice and state the date on which he wishes the termination to become effective. A customer may be held responsible for all service furnished at the premises until 2 days after receipt of such notice by the Company or until the date of termination specified in the notice, whichever date is later.

C. SERVICE ESTABLISHMENT AND RECONNECTION CHARGE

The Company shall require payment of \$25.00 for each establishment, supersedure, or re-establishment of electric service to any customer. This service establishment charge is in addition to the charges calculated in accordance with the applicable schedule and will be required each time an account is opened, including a turn on or reconnection of electric service or a change of customer which requires a meter reading.

When the customer requests that electric service be turned on or reconnected outside of regular business hours or same day service, an additional charge of \$20.00 will be charged.

MAUI ELECTRIC COMPANY, LIMITED

Supersedes Sheet No. 19  
Effective: August 18, 1994

REVISED SHEET NO. 19  
Effective:

RULE NO. 8

Rendering and Payment of Bills

A. RENDERING OF BILLS

1. Billing Period

Bills for electric service may be rendered monthly or bimonthly at the option of the Company, except that bills based on measured monthly maximum demand shall be rendered monthly. Bimonthly bills will be computed by doubling the size of the monthly energy blocks and the monthly amount of the capacity or minimum charge.

2. Metered Service

Bills for metered service will be based on meter registration. Meters will be read as required for the preparation of regular bills, opening bills and closing bills.

It may not be possible always to read meters on the same day of the month, and should a bimonthly billing period contain less than 54 days or more than 66 days or should a monthly billing period contain less than 27 days or more than 33 days, a pro rata adjustment in the bill will be made.

3. Pro Rata Adjustment

Except as provided below, all bills for electric service rendered for periods of less than 54 days or more than 66 days on a bimonthly billing period, or for periods of less than 27 days or more than 33 days on a monthly billing period will be computed in accordance with the applicable schedule, but the size of the energy blocks, and the amount of the capacity demand, or minimum charge, specified therein, will be prorated on the basis of the ratio of the number of days in the period to the number of days in an average bimonthly or monthly period, which for this purpose shall be 60 days and 30 days, respectively.

When the total period of service is less than 34 days, no proration will be made, and no bill for such a service period shall be less than the specified monthly capacity, demand, or minimum charge, except, when temporary service is furnished and the customer had paid the estimated cost of installing and removing the service facilities, proration will be made.

MAUI ELECTRIC COMPANY, LIMITED

Superseding Revised Sheet No. 20  
Effective: May 5, 1997

REVISED SHEET NO. 20  
Effective:

MAUI ELECTRIC COMPANY, LTD.

RULE NO. 8 (Continued)  
Rendering and Payment of Bills

B. READING OF SEPARATE METERS NOT COMBINED

For the purpose of making charges and billing, each meter upon the customer's premises will be considered separately and the readings of two or more meters will not be combined, except where the Company, for engineering and operating reasons, installs more than one meter.

C. PAYMENT OF BILLS

All bills are due and payable on the date of presentation, and payment shall be made at a Company business office or to an authorized representative or agent.

Bills for connection or reconnection of service, payments for deposits, and payments to reinstate deposits as required by these rules shall be paid before service will be connected or reconnected.

D. RETURNED PAYMENT CHARGE

Payment by check or by form of electronic transfer for any service covered herein which is not honored by the financial institution on which it is issued will result in a fee of \$25.00 to the customer.

E. FIELD COLLECTION CHARGE

The Company shall require payment of \$25.00 for any field call to the service location necessitated by the customer's non-payment of bills or for failure otherwise to comply with the tariff.

F. LATE PAYMENT CHARGE

1. A late payment charge of 1% shall be applied to any unpaid electric service-related account balances excluding any unpaid late payment charges existing when the bill is calculated for billing purposes, provided the billing period is not less than 20 days since the last bill.

MAUI ELECTRIC COMPANY, LIMITED

Superseding Sheet No. 20A  
Effective: May 5, 1997

REVISED SHEET NO. 20A  
Effective:

MAUI ELECTRIC COMPANY, LTD.

RULE NO. 8 (Continued)

2. A late payment charge of 0.83% per month (or 10% per year) shall be applied to any other customer account receivables (OCARS) excluding any unpaid late payment charges existing when the unpaid account balance is calculated for billing purposes, provided the billing period is not less than 20 days since the last bill. A late payment charge provision specified in a written contract shall supersede the 0.83% per month (or 10% per year) late payment charge.

MAUI ELECTRIC COMPANY, LIMITED

**MAUI ELECTRIC COMPANY, LIMITED  
TEST YEAR 2007**

**SUMMARY OF REVENUES AT CURRENT EFFECTIVE AND PROPOSED RATES**

**MECO TOTAL**

Rate Class	At Present Rates (\$000s)	At Proposed Rates (\$000s)	PROPOSED INCREASE	
			Amount (\$000s)	Percent (%)
Schedule R	\$129,204.5	\$136,015.3	\$6,810.8	5.27%
Schedule G	\$32,241.8	\$33,941.3	\$1,699.5	5.27%
Schedule J	\$80,115.2	\$84,338.3	\$4,223.1	5.27%
Schedule H	\$6,733.5	\$7,088.4	\$354.9	5.27%
Schedule P	\$105,859.3	\$111,439.5	\$5,580.2	5.27%
Schedule F	<u>\$1,619.0</u>	<u>\$1,704.3</u>	<u>\$85.3</u>	<u>5.27%</u>
Total Sales Revenue	\$355,773.3	\$374,527.1	\$18,753.8	5.27%
Other Operating Revenues	<u>\$1,534.0</u>	<u>\$1,758.0</u>	<u>\$224.0</u>	<u>14.60%</u>
Total Revenues	<u><u>\$357,307.3</u></u>	<u><u>\$376,285.1</u></u>	<u><u>\$18,977.8</u></u>	<u><u>5.31%</u></u>

**MAUI ELECTRIC COMPANY, LIMITED  
TEST YEAR 2007**

**SUMMARY OF REVENUES AT CURRENT EFFECTIVE AND PROPOSED RATES**

**MAUI DIVISION**

Rate Class	At Present Rates (\$000s)	At Proposed Rates (\$000s)	PROPOSED INCREASE	
			Amount (\$000s)	Percent (%)
Schedule R	\$121,916.2	\$128,342.8	\$6,426.6	5.27%
Schedule G	\$29,812.9	\$31,384.4	\$1,571.5	5.27%
Schedule J	\$75,029.6	\$78,984.6	\$3,955.0	5.27%
Schedule H	\$5,909.6	\$6,221.1	\$311.5	5.27%
Schedule P	\$98,985.7	\$104,203.5	\$5,217.8	5.27%
Schedule F	<u>\$1,421.2</u>	<u>\$1,496.1</u>	<u>\$74.9</u>	<u>5.27%</u>
Total Sales Revenue	\$333,075.2	\$350,632.5	\$17,557.3	5.27%
Other Operating Revenues	<u>\$1,389.0</u>	<u>\$1,589.0</u>	<u>\$200.0</u>	<u>14.40%</u>
Total Revenues	<u><u>\$334,464.2</u></u>	<u><u>\$352,221.5</u></u>	<u><u>\$17,757.3</u></u>	<u><u>5.31%</u></u>



**MAUI ELECTRIC COMPANY, LIMITED  
TEST YEAR 2007**

**SUMMARY OF REVENUES AT CURRENT EFFECTIVE AND PROPOSED RATES**

**LANAI DIVISION**

Rate Class	At Present Rates (\$000s)	At Proposed Rates (\$000s)	PROPOSED INCREASE	
			Amount (\$000s)	Percent (%)
Schedule R	\$2,731.6	\$2,875.6	\$144.0	5.27%
Schedule G	\$725.2	\$763.4	\$38.2	5.27%
Schedule J	\$2,253.8	\$2,372.6	\$118.8	5.27%
Schedule H	\$180.5	\$190.0	\$9.5	5.26%
Schedule P	\$4,138.7	\$4,356.9	\$218.2	5.27%
Schedule F	<u>\$36.9</u>	<u>\$38.8</u>	<u>\$1.9</u>	<u>5.15%</u>
Total Sales Revenue	\$10,066.7	\$10,597.3	\$530.6	5.27%
Other Operating Revenues	<u>\$37.9</u>	<u>\$46.9</u>	<u>\$9.0</u>	<u>23.75%</u>
Total Revenues	<u>\$10,104.6</u>	<u>\$10,644.2</u>	<u>\$539.6</u>	<u>5.34%</u>

**MAUI ELECTRIC COMPANY, LIMITED  
TEST YEAR 2007**

**SUMMARY OF REVENUES AT CURRENT EFFECTIVE AND PROPOSED RATES**

**MOLOKAI DIVISION**

Rate Class	At Present Rates (\$000s)	At Proposed Rates (\$000s)	PROPOSED INCREASE	
			Amount (\$000s)	Percent (%)
Schedule R	\$4,556.7	\$4,796.9	\$240.2	5.27%
Schedule G	\$1,703.7	\$1,793.5	\$89.8	5.27%
Schedule J	\$2,831.8	\$2,981.1	\$149.3	5.27%
Schedule H	\$643.4	\$677.3	\$33.9	5.27%
Schedule P	\$2,734.9	\$2,879.1	\$144.2	5.27%
Schedule F	<u>\$160.9</u>	<u>\$169.4</u>	<u>\$8.5</u>	<u>5.28%</u>
Total Sales Revenue	\$12,631.4	\$13,297.3	\$665.9	5.27%
Other Operating Revenues	<u>\$107.1</u>	<u>\$122.1</u>	<u>\$15.0</u>	<u>14.01%</u>
Total Revenues	<u><u>\$12,738.5</u></u>	<u><u>\$13,419.4</u></u>	<u><u>\$680.9</u></u>	<u><u>5.35%</u></u>

Maui Electric Company, Limited  
MECO TOTAL  
Test Year 2007

Estimated Earnings and Return  
on Average Rate Base  
at Present Rates  
(\$ Thousands)

	Present Rates
Electric Sales Revenue	355,773
Other Operating Revenue	1,535
TOTAL OPERATING REVENUES	357,308
Fuel	180,465
Purchased Power	33,982
Production	21,015
Transmission	2,277
Distribution	6,336
Customer Accounts	3,086
Allowance for Uncoll. Accounts	214
Customer Service	1,541
Administration & General	13,560
Operation and Maintenance	262,476
Depreciation & Amortization	28,872
Amortization of State ITC	(518)
Taxes Other Than Income	33,068
Interest on Customer Deposits	233
Income Taxes	9,071
TOTAL OPERATING EXPENSES	333,202
OPERATING INCOME	24,106
AVERAGE RATE BASE	386,261
RATE OF RETURN ON AVERAGE RATE BASE	6.24%

Maui Electric Company, Limited  
MAUI DIVISION  
Test Year 2007

Estimated Earnings and Return  
on Average Rate Base  
at Present Rates  
(\$ Thousands)

	Present Rates
Electric Sales Revenue	333,075
Other Operating Revenue	1,390
TOTAL OPERATING REVENUES	334,465
Fuel	167,036
Purchased Power	33,982
Production	18,742
Transmission	2,244
Distribution	5,644
Customer Accounts	2,778
Allowance for Uncoll. Accounts	200
Customer Service	1,538
Administration & General	12,550
Operation and Maintenance	244,714
Depreciation & Amortization	26,598
Amortization of State ITC	(475)
Taxes Other Than Income	30,918
Interest on Customer Deposits	216
Income Taxes	9,122
TOTAL OPERATING EXPENSES	311,093
OPERATING INCOME	23,372
AVERAGE RATE BASE	358,230
RATE OF RETURN ON AVERAGE RATE BASE	6.52%

Maui Electric Company, Limited  
LANAI DIVISION  
Test Year 2007

Estimated Earnings and Return  
on Average Rate Base  
at Present Rates  
(\$ Thousands)

	Present Rates
Electric Sales Revenue	10,067
Other Operating Revenue	38
TOTAL OPERATING REVENUES	10,105
Fuel	6,176
Purchased Power	-
Production	1,095
Transmission	-
Distribution	238
Customer Accounts	139
Allowance for Uncoll. Accounts	6
Customer Service	1
Administration & General	344
Operation and Maintenance	7,999
Depreciation & Amortization	1,243
Amortization of State ITC	(20)
Taxes Other Than Income	952
Interest on Customer Deposits	6
Income Taxes	(175)
TOTAL OPERATING EXPENSES	10,005
OPERATING INCOME	100
AVERAGE RATE BASE	13,257
RATE OF RETURN ON AVERAGE RATE BASE	0.75%

Maui Electric Company, Limited  
MOLOKAI DIVISION  
Test Year 2007

Estimated Earnings and Return  
on Average Rate Base  
at Present Rates  
(\$ Thousands)

	Present Rates
Electric Sales Revenue	12,631
Other Operating Revenue	107
TOTAL OPERATING REVENUES	12,738
Fuel	7,253
Purchased Power	-
Production	1,178
Transmission	33
Distribution	454
Customer Accounts	169
Allowance for Uncoll. Accounts	8
Customer Service	2
Administration & General	666
Operation and Maintenance	9,763
Depreciation & Amortization	1,031
Amortization of State ITC	(23)
Taxes Other Than Income	1,198
Interest on Customer Deposits	11
Income Taxes	124
TOTAL OPERATING EXPENSES	12,104
OPERATING INCOME	634
AVERAGE RATE BASE	14,774
RATE OF RETURN ON AVERAGE RATE BASE	4.29%